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Race
Relations
Division

VISIBLE MINORITY BUSINESS IN METROPOLITAN TORONTO

An Exploratory Analysis

EXECUTIVE SUMMARY

VISIBLE MINORITY BUSINESS
IN
METROPOLITAN TORONTO:
AN EXPLORATORY ANALYSIS

BY:

DARLA RHYNE
Institute for Behavioural Research
York University

Race Relations Division
Ontario Human Rights Commission

HIGHLIGHTS

Rationale and Purpose

- This pilot study was done for the Race Relations Division as a part of its plan to examine race relations in a variety of institutional settings.

- Of specific interest to the Division is to examine the experiences and attitudes of visible minority businessmen in the Toronto area, to identify their concerns, and to see whether and to what extent those concerns are racial in nature, and to explore the effect minority businessmen feel the racial dimension has on their business operation.

Methodology

- Interviews were conducted with sixty-one entrepreneurs from both visible and non visible minority groups, the former serving as the experimental group, the latter as the control group. Interviews were completed with 11 Black, 12 Chinese, 14 South Asian, 12 Japanese and 12 non visible minority business proprietors of British, Eastern, Western and Southern European origin.

- The 61 businesses in the sample are distributed across several sectors, and the semi-structured questionnaire used for the survey dealt with three components - i.e. business structure and operation; background characteristics and experiences of entrepreneurs; and possible problems areas in business.

- There was no attempt to draw a systematic, representative or stratified random sample as no complete listings of visible minority businesses exists and being an exploratory study.

- Overall, the businesses surveyed are well established; "failed" entrepreneurs were not interviewed.

FINDINGS

Business Size

- In general, South Asian owned enterprises tend to be the largest. With respect to total number of employees, the businesses tend to be small, especially those operated by Chinese and Japanese proprietors. Almost half of the businesses have fewer than 6 employees and only 10 (or 16.3%) have more than 20 employees. Less than one tenth of all the businesses have more than 20 full-time staff, and only two of these number more than 100 employees.

- For those reporting gross business revenue, the modal figure is between $100,000 and $500,000. One quarter have business incomes of over $1,000,000 and about another quarter reporting revenues of $75,000 or less. Wholesale entrepreneurs cluster in the $500,000 or more category while retailing and services fall in the $100,000 to $500,000 range.

- Equal proportions of Black, South Asian and non visible minority run businesses report business incomes as under $75,000 and fewer Chinese and Japanese enterprises fall in this lower income group. Overall, South Asian businesses report the largest business incomes followed by non visible minority enterprises.

- Only 11 of the businesses surveyed have more than one location or branch. This pattern holds for all groups. Most of the enterprises serve a local clientele, and only slightly more than one third of the businesses use suppliers from outside Canada.

General Background Characteristics of Entrepreneurs

- Most of the business-people interviewed are men (55 or 90%), although most groups of entrepreneurs contained at least one woman. Most of the entrepreneurs are in their forties or fifties; only three are still in their twenties. Chinese respondents are youngest (average age 38.8 years) and the Japanese entrepreneurs oldest (mean age 54.7 years).

- The majority of the entrepreneurs were born outside Canada. None of the Chinese or South Asian respondents are Canadian born and only 2 of the Black businessmen are native born. In contrast, two thirds of the Japanese sample and one half of the non visible minority sample are Canadian born.

- Whereas most of the visible minority immigrants arrived in the country between 1967 and 1975, two thirds of the non visible minority immigrant sample settled in Canada between 1940 and 1959. Most of the foreign born business-people are now Canadian citizens.

Previous Business Experience

- Current businesses are first ventures into entrepreneurship for most of the respondents. Most have received the bulk of their business experience in Canada. Only 3 Blacks, 3 Chinese and 4 South Asians consider they gained their business experience outside Canada.

- The Chinese sample contains the highest proportion (75% or 9 cases) having business-related experience in a traditional family business.

Reasons for Going into Business

- Include desire for financial success, to be one's own boss and be financially independent, insufficient chance of advancement in previous jobs, and desire to develop a business idea in Canada.

- Close to 70% of Japanese and South Asian respondents compared to 46% of non visible minority group, feel that insufficient chance for advancement in previous jobs was important in the decision to go into an independent business.

Getting Started and Start Up Capital

- Reliance on personal resources (over three quarters of all respondents) for start up capital is common although loans from family and friends and from banks are also often mentioned.

- Loans from banks or similar financial institutions were the second most cited source of capital (38%), and was slightly more common among South Asian and Chinese respondents than others. Access to commercial capital does not seem to be an especially serious problem although obtaining business loans from financial institutions is perceived inequitable by some visible minority entrepreneurs.

- Nineteen respondents reported borrowing from family and friends (32%), a practice more prevalent among Chinese and Japanese respondents.

- Nine of 25 entrepreneurs who went into already existing businesses negotiated with parents, siblings or spouses.

Importance of Business and Social Contacts

- Business and social contacts were not considered very important. Four fifths of non visible minority sample felt that ethnic contacts were not important at all. However, at least one third of Black, Chinese and South Asian respondents felt differently.

Ethnic Clientele

- Seven of the Black run businesses offer ethnic goods and services; 4 of these have the majority of their customers from the same ethnic group as themselves, while 3 are located in areas of West Indian commercial concentration.

- For Chinese owned businesses, there seems to be a connection between location and customer/supplier base. Five of the businesses are in Chinatown, two providing non ethnic services and three ethnic specialities. In all these businesses, the majority of customers and suppliers are Chinese.

- Six of the South Asian businesses offer ethnic goods and services and 4 draw the majority of their customers and suppliers from the South Asian community. Three of these are located in areas of South Asian commercial concentration. However, 7 of the 8 businesses not catering to the ethnic market draw their customers and suppliers from a variety of ethnic groups.

- Only one Japanese run firm draws the bulk of its customers and suppliers from the Japanese population. There is no geographical concentration of Japanese owned businesses in Toronto.

- Only one non visible minority business reports the majority of its customers as coming from the same ethnic group.

Business Ownership

- Regardless of the actual organization of their businesses, the great majority of the entrepreneurs describe themselves as owners (73%) rather than as partners (19%) or shareholders (8%). All are active within the enterprise, mostly as president or chairman (59%) or manager (33%).

Business Problems

- In general, relations with neighbouring businesses and the community are harmonious. Also, most respondents view problems with financing, suppliers, employees, customers, expanding the market, legal matters and regulations as common to all businesses.

(a) Problems with Financing

- Only 10 respondents had never applied to a bank or similar financial institution for a business loan. The vast majority in every group who made loan applications were almost all successful in receiving the needed financing (94% or 48 out of 51).

- Problems, however, are located in the process of obtaining capital. In this regard, the experiences of visible minority entrepreneurs are in great contrast to those reported by non visible minority respondents. While none of the latter felt that their applications had been subjected to any special or inequitable treatment, 27% (or 10 out of 37) visible minority respondents felt their applications were scrutinized more closely; 29% (or 11 out of 37) felt they were required to provide more collateral than someone from a different ethnic group for a similar venture. Eight of the visible minority respondents felt that they received a smaller amount of financing; 3 cases felt they were charged a higher interest rate.

- Black and Chinese businessmen perceive a greater financial disadvantage than South Asian or Japanese entrepreneurs.

(b) Problems with Regulations

- Few of those interviewed reported problems with provincial or municipal regulations -- problems such as licensing, fire, safety or health standards, police or other inspections or tax assessment.

(c) Government Programs and Assistance

- For the sample as a whole, both familiarity with use of government programs and services providing assistance to business are low. Thirty-five per cent report they are "not at all familiar" with such programs; only 15% are "very familiar" with them. Seventeen have used some form of government assistance, but the majority (44 or 72%) have not.

- South Asians have the greatest familiarity with and use of government programs while Chinese respondents are least knowledgeable and have used the programs least.

- For those who have made use of government programs, 59% (or 10 cases) have received federal assistance with about 18% each using provincial or both types of government aid. These include Manpower programs which pay a portion of student or apprentice salaries (6); enterprise development loans (5); small business loans (3) and Manpower training programs for employees or employers (2).

Business and Professional Association

- Over half the sample are active in trade specific business associations. 57% (or 34 cases) are active in some kind of non ethnic participation, a bit lower among the Chinese sample.

- For those whose businesses qualify, participation in the Better Business Bureau is fairly common although again less the case for the Chinese entrepreneurs than others.

- All groups use business and professional organizations primarily for the following reasons:

  To get information on specific items such as government assistance, legal matters and other items related to business (35%);

  to get information about the general climate of business (32%), or to get more customers (21%).

- Except for a few non visible minority entrepreneurs, use of business association to find employees, to get financing or to find suppliers is not very common.

- There is a relative lack of participation in ethnic business organizations.

- Twenty-eight (or 43%) reported non participation in any business organization, 42% reporting that they felt such organizations were not helpful.

- None were refused membership or felt they would not be welcome.

Effect of the Racial Element

- The report reveals few problems with a racial element that are faced by visible minority businessmen.

- Only 22% felt there was a limited market for their businesses and of these, none gave reasons linking limitations directly to race. Some, however, felt the limitation was due to too specialized a product or service or too specialized a clientele. Generally, such businesses were involved in an ethnic market to some extent, and suggests disadvantage for those overly reliant on the ethnic connection.

- Of those who had applied for funding to financial institutions, 94% were successful in receiving business loans, suggesting that access to commercial capital is not a problem for respondents, although there are different perceptions among groups about the process of obtaining it. Nineteen per cent (or 20 cases) have some perception of financial disadvantage; 7% (or 4 cases) a definite perception; and 13% (or 8 cases) have a strong perception.

- But there is a suggestion of variation across groups. The Japanese businessmen, Chinese and Black samples contain the largest numbers feeling financial difficulties are linked to race. Perceptions of ethnic disadvantage among non visible minority respondents fall in the middle and suggest that cultural as well as strictly racial dynamics may be at work in the area of financing.

Overview

- The data on entrepreneurial success counters the notion that visible minority entrepreneurs lack "business sense", are concentrated only in specific endeavours, or lack financial success in the Canadian business environment.

Samuel U. Ifejika (Dr.)
Policy Analyst
Race Relations Division
Ontario Human Rights Commission
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VISIBLE MINORITY BUSINESS IN METROPOLITAN TORONTO: AN EXPLORATORY ANALYSIS

Darla Rhyne

Institute for Behavioural Research
York University
Downsview, Ontario

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The Race Relations Division
Ontario Human Rights Commission

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Situated within wider research plans of the Race Relations Division to examine race relations in a variety of institutional settings, this project arose out of the Division's interest in the business context but was not prompted by any specific complaints by business people. After initial meetings and discussion between Dr. A. H. Richmond, Director of the Institute for Behavioural Research, York University and Race Relations Division, a two-phase study was proposed. The first phase would develop a large sample and conduct a few interviews to identify areas of concern and the second phase would be a full scale survey of the visible minority business world. This plan was amended so there would be an exploratory study alone with a focus on a small number of cases and a lack of a systematic sampling frame. This pilot project would also act as a feasibility study for any larger research plan. Until the nature of the racial element in the business context was identified, it made little sense to prepare detailed sampling frames.

During preparations for the study, Mr. Shakeel and Race Relations Division personnel provided ethnic business directories and names of potential informants. I would also like to thank the Division for making their library facilities available.

In addition to a review of the existing literature, there were other inputs into questionnaire design. A meeting of Dr. Richmond, myself and five

visible minority businessmen was held to discuss the racial element and to assess the relevance of questionnaire items. My thanks go to those businessmen who were willing to take the time to assist us; to Mr. Bobby Siu (Race Relations Division) who was instrumental in organizing that meeting; and to Mr. Mark Nakamura for fitting the meeting into the administrative schedule of the Division. Discussions with Professor E.A. Litvak, Administrative Studies, York University about entrepreneurship in Canada were also helpful for questionnaire construction. The Ministry of Manpower and Immigration in Ottawa and both federal and provincial Ministries of Industry, Trade and Commerce were contacted for information about immigrant entrepreneurs and government business assistance programs. Although no data on the former were available, the literature on the latter was used in preparing the final instrument.

At York-IBR, Tony Richmond's continued theoretical and editorial input has been of value throughout the project. I would also like to thank Mr. Pierre Angers for his help with coding and computer runs. I am very grateful for the conscientious, high quality interviewing done by Ms. Rita Davidson, Ms. Chris Duyn, Ms. Rita Hann, Ms. Donna Ingard, Mr. Paul Thompson, Mr. Robert Thompson and Mr. Paul Woszczyna. My special thanks to Mr. David Northrup, Field Supervisor, for the smooth execution of the survey and his help in making some difficult field decisions. Of course, the cooperation of all the entrepreneurs who participated in the survey is also greatly appreciated.

Many people have contributed a great deal to this report. However, all conclusions and interpretations remain my own responsibility.

Darla Rhyne
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INTRODUCTION

Through a descriptive analysis of the experiences of visible minority proprietors in Metropolitan Toronto, this report explores the problems faced by such entrepreneurs and the effect they feel the racial dimension has on their businesses. It also investigates similarities and differences in the experience of Black, Chinese, South Asian* and Japanese businesspeople and compares visible minority run businesses to similar enterprises owned by other Canadian or foreign born entrepreneurs.

The report is organized into four major sections: a review of existing research bearing on the topic; the methodology of the study; findings; and, conclusions.

Chapter One defines the broad context of the study. It begins with a discussion of business operation in general, moves to a consideration of ethnic entrepreneurship and finishes with an historical overview of visible minority groups and businesses in Canada. The diverse literature reviewed points to the complexity of the topic under investigation and of the interrelationships between successful entrepreneurship, ethnic business and the more covert dynamics of racial discrimination and inequality. Chapter Two describes the research methodology employed - questionnaire design, sample selection, fieldwork results and analytical strategy. Sampling procedures are related to the broader issue of the nature and extent of visible minority enterprise.

Chapter Three details the findings from interviews conducted with sixty-one entrepreneurs in the Toronto area. The nature and operation of businesses owned by Black, Chinese, South Asian and Japanese businesspeople are described in turn focusing on kind of business, size, the nature of the markets they are linked with and background characteristics of entrepreneurs. Comparisons among these groups and with other Canadian or foreign born entrepreneurs are made. Problems in the areas of financing, regulations, access to information, relations with customers, employees, suppliers, the business community and the community as a whole are identified across groups. The final chapter summarizes the overall findings, and analyzes them in terms of problems common to particular visible minority groups, problems common to ethnic businesses and problems common to all business ventures. The racial element in each set of problems is conceptually specified and recommendations for further consideration and research are outlined.

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*South Asian refers to those of Indo-Pakistani origin

CHAPTER ONE: DEFINING THE CONTEXT

In the attempt to uncover any problems with a racial dimension that are encountered by visible minority entrepreneurs, three interrelated sets of factors must be taken into account: the socio-economic context in which business operates; cultural background and adaptation; and, overt and covert dynamics of racial discrimination. It is to be expected that the viability of all business is affected by the overall economic structure and that all entrepreneurs whose ethnic background places them outside the main stream of a Canadian way of life face advantages and disadvantages particular to their placement status. Thus, it might be that many problems encountered by visible minority businesspeople which are perceived as related to racial discrimination are better explained by other inequality structures and only a few problems contain an overt racial element. On the other hand, more covert dimensions of racism may be exacerbating the problems visible minority entrepreneurs face at all three levels.

The economic structure of modern Western societies, Canada included, is one of monopoly capitalism. The most salient characteristics of this economic structure, for our purposes, are the dominance of multinational firms, the proliferation of large chain stores, the preference of investors and financiers for the big business risk and the increasingly small areas where a free market system can operate effectively. All these factors combine to make it difficult for the independent business.

Doing business in any country, at whatever the level, is a matter of "knowing the ropes." Immigrant entrepreneurs must go through a period of unlearning and relearning as they make social and cultural adaptations to the new environment. The common stock of knowledge that the Canadian born and bred take for granted is often imperfectly dissected by the outsider in this process. This can create problems arising from lack of information. Failure to comply with unknown regulations, lack of familiarity with required accounting procedures, no experience in the preferred way to set up and present applications for funding or where to go for advice often mean failure or difficulty for the immigrant entrepreneur. These cultural dilemmas are, of course, usually resolved over time but add an extra dimension to the common problems of financing, administration and marketing within the business milieu. Having access to a social and/or business network with a double cultural perspective will make things much easier for the immigrant entrepreneur. Those ethnic groups with long established communities in the area provide their newcomers with such a support system. The presence of an ethnic community to which one belongs can offer additional advantages for some entrepreneurs not available to Anglo-Canadian businesspeople. The most obvious advantage is the ethnic market. Goods and services can be provided to a captive market where one's direct competitors, customers and suppliers will be operating more or less under the same rules of doing business and where obtaining employees presents little problem. But, the ethnic market also has disadvantages. Competition may become intense, forcing all but the largest businesses out. Unless the customer base continues to expand, the pie must become sliced into increasingly narrow pieces.

A route for upward occupational and status mobility for minority businesspeople often described is the one whereby capital is accumulated through the ethnic business and then used to finance the move into the wider business context. The prevalence of unpaid family labour, low wages and long working hours for other employees in this capital accumulation phase is well documented. Indeed, some have suggested that ethnic entrepreneurs may become successful through some very thorough exploitation of their own kind. Unfortunately, it has been this aspect of the process that often feeds negative stereotypes. Certain ethnic businesses have succeeded in attracting a wider clientele by catering to the tourist industry - curio and gift shops, restaurants, speciality food outlets, etc. This marketing of culture may feed a "you people are good at ______________" stereotype which can bring ethnic entrepreneurs' competence in other kinds of business into question. Such erroneous perceptions can affect financing and the ability to break into non traditional markets.

Some ethnic groups in Canada number considerable businesspeople who have successfully made their way beyond ethnic businesses and stereotyping. However, the visible minority entrepreneur is just that - visible by virtue of secondary racial characteristics. Thus it is questionable whether he or she will be able to bypass this kind of stereotyping as easily as those of European ancestry. Even in situations where the visible minority entrepreneur is Canadian born and educated, he may be forced into a cultural group definition quite foreign to him. Multiculturalism has been characterized as a multiplicity of subgroups with their own cultural, racial or historical identity coexisting in mutual tolerance in a liberal democratic state (Clairmont and Wren, 1980:312). However, it can be argued that while they are structurally part of the mosaic by virtue of being distinct, visible minorities differ from other ethnic minorities.

In the early history of these groups in Canada, such things as exclusion from certain occupations, exposure to violence, segregation in schools, lack of the franchise and extremely restrictive immigration policies point to an institutional racism directed at visible minorities. Segregated Black schools existed in Ontario well into the Twentieth Century (Head, 1976); the Chinese

Immigration Act of 1923 banned most new Chinese immigrants until 1947; Japanese Canadians were relocated and contained during World War II; and, South Asians did not receive the vote until 1947-48.

Since World War II and particularly in the 1960's, a number of changes have occured. On the one hand, increasing liberalization of immigration regulations, full enfranchisement, and the removal of legal distinctions based on race seem to point towards an optimistic model of race relations.

Society is proceeding to solve its racial antagonisms through an expansion of citizenship and a shift away from ascription and particularism to achievement and universalism in social relations (Clairmont and Wren, 1980:310). On the other hand, the increasing size of visible minority groups coupled with negative stereotypes formed earlier have a potential for growing distrust and racial tension especially during difficult economic times. According to Clairmont and Wren, prior to World War II, only 2% of the Canadian population was non-white whereas now it is about 5% (1980:316). These newcomers tend to live in urban areas, to be better educated than before and, despite continuing economic exploitation and discrimination in employment, to have better occupational placement in the host society than previously.

It is beyond the scope of this report to detail the intricacies of race relations in Canada. However, the scenario sketched above warrants a closer inspection of the problems visible minority businesspeople face in the operation of their businesses. The intent is to see if there are identifiable problems of a racial nature and to highlight the contribution such entrepreneurs are making to the business world. The remainder of this chapter will be devoted to a discussion of business practice in general, the complexities of ethnic enterprise and the place of visible minorities in the entrepreneurial structure.

A. The Business Setting:

While the sample interviewed for this study does not consist merely of very small shopkeepers, neither does it contain the top executives of the largest business enterprises in Toronto. This focus on the small or medium sized business context is dictated more by the characteristics of the overall Canadian economic structure than by any systematic bias in the sampling techniques. Porter (1965) and Clement (1975) have amply documented the lack of access to the big business elite for all except "Anglo-Canadians". There is evidence of discrimination in employment such that high level managerial careers are closed to many ethnic groups and there is selective under-representation of certain minority groups in some occupations. This exclusion is worthy of further study as it relates to ethnic inequality and institutional racism but is beyond the scope of the present study.

Ornstein comments that "one distinctive feature of advanced capitalism is the growth of very large firms whose power may...threaten small firms" (1979:22). He goes on to point out that there is a convergence, from a variety of intellectual directions, on the idea that the business world has become fundamentally divided into two factions - one containing "monopoly", "dominant" or "core" firms and the other "competitive" or "peripheral" firms (1979:26). This does not mean that enterprises operating under competitive conditions no longer perform useful functions, or are not economically successful. But, it does mean that they are governed by different principles, operate on the edge of the central economy, that their viability and success is limited when compared to that of the large centre firms and that smaller businesses have operational problems quite different from those of big business.

It is in this sense that this study is restricted to the relatively small business context. The number of employees may be quite large, internal organization often highly complex, the gross revenues sizable and profits considerable. However, such enterprises are not in the same league as conglomerate firms.

Despite this placement, smaller enterprises do contribute in an important way to the overall economy and wider society. Ward and Reeves (1980) summarize the major functions as follows. Smaller firms allow enterprising people who value independence to contribute to the economy. In some industries, the optimum size for efficient operation is small. They often can supply larger firms at lower costs than larger firms could achieve. They add to consumers' variety in goods and services, are a source of innovation and can provide competition for growing multi-branch operations. They act as a breeding ground for new industry and a base from which to create big business from entrepreneurial talent. In Canada, the economic contribution is quite significant. Government figures indicate that 97% of the over one million Canadian businesses are in the small business category (gross income under $1.5 million). Collectively, small business employs 42% of the commercial labour force and accounts for over one quarter of all business sales and one quarter of the Gross National Product (Canada Commerce, 1981: 10). It is well known that there is a very high failure rate among smaller enterprises (Litvak and Maule, 1980). Many of the difficulties faced by this entrepreneurial sector are linked to current economic conditions such as inflation, high interest rates, etc. Other problems are characteristic of the small business sector and play a significant role in entrepreneurial success and failure. Five such problem areas are finance, management expertise, product distribution, business premises and labour.

Financing is by far the most critical. Hollander states: "The capital requirements of businesses too new to have accumulated internal resources or too small to tap the organized financial markets present a perpetual problem to small business" (1967:126). Small businesses lack access to long term credit which larger enterprises have through debt and equity securities sold in the capital market. In turn, this lack of access makes it harder for the small business to develop an image of creditworthiness suitable for long term loans. This means access to short term loans only which carry higher interest rates and because the business remains tied to its cash flow, it means higher collateral.

This general process obtains in Canada. Litvak and Maule (1974) report that 80% of entrepreneurs in technologically based manufacturing enterprises felt that Canadian financial institutions were too conservative in their attitudes towards small business. This conservatism was indicated by a general reluctance to issue loans to smaller firms and by charging higher interest rates. A recent study jointly commissioned by the Federal Government and the Canadian Bankers Association, conducted by the University of Western Ontario, speaks to the treatment of small businesses by banks some eight years later. The study finds that overall, there is equitable treatment with no systematic bias or discrimination against smaller enterprises. However banks do charge more for loans to small business than to big business and also require more collateral, including personal collateral. The study suggests that the problems occur where junior managers(often in smaller bank branches) with limited credit skills confront entrepreneurs lacking financial know how. There are many loan rejections and, in some cases, lack of referrals to alternative financing sources (Globe and Mail, February 20, 1982; Wynant, Forthcoming*).

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* According to Professor Wynant, the principal investigator of the study, this report "Chartered Bank Financing of Small Business in Canada" will soon be released into the public domain.

In Canada, there are a variety of government assistance programs geared to the promotion and encouragement of independent enterprise. The ABC Directory for business (1981-82) lists over thirty such programs in the areas of financing, taxation relief, manpower assistance, management improvement and other activities. There are similar government programs at the provincial level. It is beyond the scope of this paper to assess the utility of such programs or the extent of their use. However, it is interesting that Litvak and Maule (1974) found Canadian entrepreneurs had a poor knowledge of sources of government aid and of venture capital funding. Also, the University of Western Ontario Study mentioned above, backs up earlier findings of a CFIB study that only a minority of businessmen use government programs. This is due to both a lack of promotion of such programs and a general reluctance by entrepreneurs to get involved because of red tape and "hand out" connotations (Globe & Mail, February 20, 1982).

Lack of general management expertise is a second factor associated with the failure of independent enterprises. Poor definition of objectives, unstructured, irregular planning, reluctance to delegate control, unrealistic expectations of cash flow and returns, lack of staff specialists and insufficient capital all fit into this category (Litvak and Maule, 1980: Dilile, 1971). Presumably, successful enterprises have owners who successfully develop their skills to overcome these difficulties.

Product distribution problems are really marketing problems. If the market is too small or too dispersed, or highly competitive, or unwilling to accept new products or services, the firm will experience severe difficulties. Lack of suitable premises, high rents, lack of a suitable labour force and necessary wage scales are also problems faced by all small businesses which do not figure in the operation of the large core firms who can afford higher wages and sizeable investments for space and equipment.

A consideration of what business activity involves makes it not surprising that many entrepreneurs cannot sustain their operations. Cole (1967:399) defines six main aspects of business activity: the determination of business objectives and changing them as conditions require; developing and maintaining an organization that includes relationships with all employees; securing adequate financial resources and retaining them while nurturing good relations with present and future investors; acquiring and revising efficient equipment; developing a market; and, keeping good relations with the public authorities and society at large.

Of course, trends in business viability do not rest on the entrepreneurial skills of the owner alone. Viability varies both by sector and stage of development. Manufacturing involves a higher risk than retailing. A service business is especially vulnerable in its first year of operation but can subsequently stabilize for many years afterwards. It should also be remembered that some businesses survive but remain very small with little capital or managerial sophistication. Ward and Reeves (1980) suggest that businesses founded on a craft skill are especially prone to small scale operation and slow growth while those based on a business opportunity tend to be mounted on a larger scale with quicker growth and more flexible responses to changing conditions. They also point out that success is linked to regional and local factors and is much more likely in areas where there is already a network of business activity containing a structure of support services (such as accounting firms, wholesalers, etc.).

To summarize, entrepreneurial activity is difficult to do well because of national and regional economic considerations that affect markets. Successful business operations of smaller scale do make an important contribution to the national economy. There are problems common to all entrepreneurial ventures of moderate and small size that affect their success and failure. The most common problems which may lead to failure include: greater difficulties in obtaining capital and credit; greater vulnerability to market shifts by virtue of narrower lines of goods and services; declining demand; lack of managerial expertise; and, necessity of competing both on their own level and with the larger firms.

Visible minority businesses do not differ from other businesses in terms of the contribution and problems examined in this section. The extent to which the racial element makes these problems different in scale or more critical is a topic for investigation in the analysis to follow.

B. Ethnic Business:

There is an extensive literature on ethnic communities, ethnic business and immigrant entrepreneurial minorities. In general, it takes one of two broad approaches. In one approach, the community is analyzed with the view to specifying the role of the entrepreneurs within the community or to describing the distinctive ethnic market configuration that obtains. Thus, we have an analysis of the entrepreneurial elites in Toronto's Chinatown (Thompson, 1979), research on Cuban entrepreneurs in Miami (Wilson and Portes, 1980), on Black capitalism in the United States (Bonney, 1974) and the like. In the other approach, conditions for ethnic entrepreneurial success are studied. This often takes the form of comparing the variable success of different ethnic groups such as Blacks, Chinese and Japanese in the United States (Light, 1967) or West Indians and East Indians in the United Kingdom (Ward and Reeves, 1980). This second approach can also be more general, specifying the general conditions for viability (Jorge and Moncraz, 1981).

The issue of ethnic businesses making headway in economically advanced host societies involves a consideration of several interrelated factors.

The economic realm has already been discussed in the preceeding section. But it is important to remember that such things as access to capital, developing a market, etc., are central to the viability of ethnic businesses as well (Bonney, 1974; Jorge and Moncraz, 1981; Home Affairs Committee, 1981). Historical factors such as the history of ethnic relations in the country, the length of time the group has been established in the country, the presence or absence of businesses already catering to existing demand are also of importance (Ward and Reeves, 1980:32; Bonney, 1974:82). Cultural factors also play a role especially the type of family organization; the degree and extent of ethnic awareness groups promoting solidarity; and, the presence of traditional community institutions of social cooperation that provide social and financial support (Light, 1967; Ward and Reeves, 1980).

The direction of these findings is clear. The ethnic entrepreneur is most likely to succeed when he is part of a community providing social and economic solidarity, a ready market, and an established network of commercial and professional services. Such an entrepreneurial niche is not of interest to the larger firms or to the majority groups' business sector and provides an avenue of economic mobility in situations where poor ethnic relations obtain or where access to other kinds of employment is restricted.

Wilson and Portes' (1980) description of the Cuban immigrant economic enclave in Miami summarizes the above points very well. Enterprises in such enclaves have advantages that those in the open competitive sector do not have and have successfully developed ethnically sympathetic sources of supply and consumer outlets. Unorthodox but effective forms of financial and human capital reserves are sustained by pooling savings and requiring new immigrants to spend time at the worst jobs. Hard labour in the firm of another leads to promotion culminating in another business concern. Thus, the enclave has some of the characteristics of monopoly capital such as:

> ...long term stability, control of many contingencies, use of economies of scale, structured organizations that are geographically dispersed and vertically integrated, control of sources of supply, control of markets through oligopolistic pricing and mass advertising, development of large cash reserves and stabilization of their labour force through training programs and promotional ladders (1980:303).

The development of such enclaves depends on first, the presence of those with sufficient capital and initial entrepreneurial skills and second, on sustained immigration to renew the enclave labour force.

It should be pointed out that there are two quite opposing views of the ethnic economic enclave - the one projecting an image of success, the other an image of exploitation. Bonacich (1973) sees ethnic entrepreneurs as middlemen minorities carrying out economic directives from above (that is from larger firms in the central economy) and channeling profits to them from the exploitation of their own group. Such things as low wages, intermediate input production for larger firms or contract manufacturing for larger enterprises benefit the few at the expense of the majority.

Wilson and Portes present the image of the enclave as one of the success:

> ...entrepreneurs make use of language and cultural barriers and of ethnic affinities to gain privileged access to markets and sources of labour. These conditions might give them an edge over similar peripheral firms in the open economy. The necessary counterpart to these ethnic ties of solidarity is the principal of ethnic preferences in hiring and support to other immigrants in their economic ventures. The economic expansion of an immigrant enclave combined with the reciprocal obligations attached to a common ethnicity creates new mobility opportunities... (1980:315).

The prerequisites for the development of ethnic entrepreneurial enclaves seem to be met in the Toronto area. Much of the recent immigration is to the city. Immigration regulations encourage those with entrepreneurial skills and capital. And, whether such enclaves are exploitive or beneficial to the ethnic community as a whole, the successful development of ethnic businesses seems likely.

However, a wider question emerges. If one focuses on the economy as dominated by monopoly firms and where access to this economic elite is closed to ethnic entrepreneurs, then it may well be that the enclave offers greater advantages than would competing in the open market. If on the other hand, one conceives of the competitive sector as ideally operating under a free market system, then ethnic entrepreneurial expansion into this wider market is critical. To grow there is a need to move beyond the ghetto for larger markets, sources of finance and networks of commercial and professional support. Different ethnic groups in the United States and the United Kingdom have had variable success in so doing.

Some interesting work in this direction has recently been done in Britain. Based on a small number of interviews with West Indian proprietors and several existing studies of East Indian and West Indian business activity, Ward and Reeves show that West Indian entrepreneurs are underrepresented in the business world and tend to be concentrated in smaller scale ventures in construction and the service sector outside distribution. Many are craftsmen type firms; other significant areas include hairdressing, travel agencies and a range of entertainment organizations. There is a heavy dependence on other West Indians for custom, though major commercial success frequently means breaking into the wider market (1980:21).

Some of their recommendations for improving the situation recognize the utility of the ethnic market especially for initial ventures. Others are oriented to facilitate expansion into a wider market. In the first category is a recommendation that more co-operatives and training workshops be set up in areas of West Indian settlement. They also suggest that local authorities in areas with a substantial West Indian population "review the measures taken to provide low-cost small business premises in places easily reached from districts of West Indian settlement and consider the best ways of publishing details of such premises so as to reach ethnic minorities" (1980:38-39). Suggestions in the latter group (how to facilitate the move to a larger market) are heavily concentrated on the need for management training, marketing courses and the provision of business advice to firms hampered "because of social or economic disadvantages" (1980:4).

The report summarized above was commissioned by the Race Relations and Immigration sub-committee of the British Home Affairs Committee and was used (with other data) in the preparation of a report on racial disadvantage. It is useful to summarize the findings and recommendations of this brief.

Compared to West Indians, East Indian entrepreneurs do not suffer disadvantage in the business world. "Asians are in self-employment in proportions broadly similar to that of the population in general". Despite variations between Asians from East Africa with previous business expertise and those from predominantly rural backgrounds in Pakistan or Bangladesh; regional differences; and contrasts between small, marginally profitable retailing and large scale manufacturing and wholesalers "there is no firm evidence that Asian entrepreneurs suffer from serious disadvantage different in kind to those faced by all such businessmen" (1981:lxc).

West Indian entrepreneurs do not lack ambition, desire or commercial accumen in perceptions of where their efforts should be directed but seem to meet special obstacles in fulfilling those ambitions:

> Some of the problems...do not differ in essence to

> those which face any intending entrepreneur, although they may be so in scale - lack of suitable premises or labour for example. Others are really accusations of direct discrimination for which legal remedies are available or problems of commercial strategy, such as the desirability of dependence on an exclusively ethnic market, which must remain matters of judgement. Two problems do however emerge...which seem to bear particularly heavily on ethnic minorities. They are the problems of access to commercial capital and of management skills (1981:xc).

Their recommendations speak to these latter problems. In details of government loan guarantee schemes for small business, the particular needs of ethnic minority business should be considered and the degree of their participation monitored. Banks should satisfy themselves that managers are making decisions on business loans on purely commercial criteria. In consultation with the UK Caribbean Chamber of Commerce, the business education council should formulate a program of courses particularly suitable for West Indian businessmen. The Board of Trade should consider setting up a scheme to provide small businesses with management advice and assistance from retired businessmen (who volunteer their services). These schemes would be administered through local Chambers of Commerce (1981:xcii).

Light's (1967) comparison of Black, Chinese and Japanese entrepreneurs in the United States does not directly address the issue of expansion into the wider market. Rather, the book stresses that the ethnic market is by no means the only factor in the variable success of different entrepreneurs. Based on census data and case histories, Light's examination begins by documenting the lack of successful American Black entrepreneurship and the impressive business achievements of the Japanese and Chinese. He systematically assesses a number of possible explanations and finds each somewhat wanting. In particular, he demolishes the notion that Blacks have no business ability or tradition of entrepreneurship through the use of historical examples. While giving weight to the severe discrimation and segregation endured by Blacks, he points out that Asians in the US were also subject to such treatment. Although American Blacks do not have a natural ethnic market of consumer goods as do Chinese and Japanese, the latter businesses expanded to serve non ethnic clientele.

The essential difference for Light lies in different forms of family and community organization. The Chinese and Japanese have stronger traditions and institutions of social support including financial support. Kin based rotating credit associations providing funds to capitalize business are especially important in the latter respect. In contrast, Blacks have much looser ties, no tradition of such credit organizations and rely on voluntary associations (such as churches) for community solidarity. Informative though it is, Light's work does not illuminate present prospects for ethnic enterprise outside the ethnic community.

Going into business for oneself is touted as a route to economic mobility especially where there is restriction of access to other kinds of employment. However, it doesn't often work this way. In Britain, despite the relative success of East Indian entrepreneurs, several studies agree with Ward and Reeves that "the growth of self-employment has generally functioned to absorb surplus labour rather than to increase the economic status of Asians" (1980:15). One of Thompson's comments on New Orleans' Black business sector in the early 1960's seems similar:

> ...located in predominantly Negro neighbourhoods where they must compete with better established and more efficiently operated white enterprises. Most remain extremely simple and small scale...except for a few of the larger insurance companies (they) provide few jobs outside those held by family members. Their economic status and social influence are seldom sufficient to

> inspire public confidence. Thus in a corporative sense, Negro businesses...are ascribed second-class citizenship status (1963:131).

The extent to which such matters are common to ethnic enterprise or particular to certain ethnic groups will be examined later in this report. At present, it is interesting to speculate on what, theoretically at least, may be the particular problems encountered by different types of ethnic businesses. Logically, there are four types of ethnic enterprise defined by the nature of the goods and services provided and the nature of the clientele. This is diagrammed in Figure 1.

FIGURE 1. - TYPES OF ETHNIC ENTERPRISE

		PRODUCTS AND SERVICES	
		ETHNIC	NON ETHNIC
CLIENTELE	ETHNIC	1	3
	NON ETHNIC	2	4

In the first cell, the business provides ethnic goods and services to an ethnic clientele. Such businesses occur in immigrant economic enclaves, traditional ghetto communities and in areas where the ethnic population tends to be clustered in a definite residential area. In such situations, there are very few problems of prejudice or discrimination (except for the larger question of why such enclaves exist). The primary problem for such businesses is one of survival as competition increases within the community. It is possible that this could be aggravated by tensions among different sectors of the community, for example Vietnamese and Chinese or Sicilians and Italians or the old guard and recent immigrants.

In the next cell, the business provides ethnic goods and services for a predominantly non ethnic clientele. Enterprises might include ethnic restaurants, gift stores, import emporiums and other ventures geared to the tourist industry or the cosmopolitan tastes of particular segments of the urban population. These businesses may be located within established ethnic communities but not necessarily. As one method of expanding the market, this diversification of the customer base acts as a solution to the survival problem within the enclave. These businesses may also act as a bridgehead to the wiser society and market. It seems reasonable that problems with an ethnic or racial element would be concentrated in the area of customer relations. By remaining in a specialized niche in the retail and service sectors, competition problems would not be especially severe. In situations where the business is located outside the ethnic community, relations with other enterprises and proprietors in the area could also contain elements of discrimination. On a more abstract level, such marketing of culture could reinforce stereotypes linking particular ethnic groups to particular types of businesses. In turn, this could have a potential for limiting ethnic entrepreneural expansion into other non traditional or non tourist lines of business activity.

A second solution to the survival problem within the ethnic community is presented by businesses in the third cell. Here, the enterprise provides non ethnic goods and services to an ethnic clientele. Real estate, legal and medical services,general retailing, or financial services would be common areas for business activity. In addition to having avenues to commercial success, such entrepreneurs will also act as bridgeheads to the wider community especially by providing information channels. For those businesses offering professional or semi-professional services, the requirements of training, certification, licensing and the like enable the entrepreneur to be a cultural broker for his own ethnic community. Discrimination would tend to be located in a larger issue of why the businessman is serving such a specialized clientele. It may be through choice (motivated by either or both altruistic or financial considerations) but it could also be through lack of access to, or acceptance by, a wider non ethnic clientele. For enterprises in retailing, wholesaling or manufacturing, problems with an ethnic or racial element would tend to concentrate around relationships with suppliers.

The final cell defines businesses providing non ethnic goods and services to a non ethnic clientele. Such enterprises would be very varied, spanning all types of business activity - manufacturing, processing, retailing etc. The only way in which the business is ethnic is that the owner belongs to a particular ethnic group. Such businesses face all the problems of doing business in the open competitive sector. Depending on background experiences, training and familiarity with the business world as a whole, these businesses can also face the problems specific to ethnic entrepreneurs such as lack of access to commercial capital, lack of management expertise, lack of information about government, commercial and professional support networks and facilities. Such businesses also have the greatest potential for ethnic or racial tensions because of the potential variability of employees, customers, suppliers and financiers.

This is by no means a complete trait inventory of ideal types of ethnic enterprise. But it does ground particular areas for analysis in Chapters Three and Four.

C. Visible Minority Groups and Businesses in Canada

There is very little known about visible minority entrepreneurs in Canada. General, historial treatments and analyses of race relations do not focus on the issue, preferring to devote attention to broader issues of occupational placement and opportunity. Also, studies of each group vary greatly. As examples, we have a greater understanding of immigrants than the native born; better knowledge of the contemporary Chinese than Japanese; and, more in-depth histories of Asians compared to Blacks. This necessitates a somewhat eclectic discussion in the sections to follow which makes use of whatever sources are available.

1. The Black Population:

The earliest Blacks in Canada were part of the slave population of the 1700's in the Niagara and Maritime regions. In the 1800's, many refugees arrived from the United States via the Underground Railroad. Most settled near the US border, taking jobs as waiters, cooks, servants, brakemen for the railroad and some established their own communities, churches and businesses (Head, 1974:6). Until the 1960's, the population remained relatively small, even in the Toronto area, despite influxes from the West Indies during the first two decades of the Twentieth Century. With changes in the immigration policy in the 1960's, immigration increased with many Blacks arriving from the West Indies (especially female domestics) and the United Kingdom. The influx has continued into the 1970's with a heavy representation of teachers, doctors and engineers.

Toronto's current Black population is composed primarily of native born Canadians as well as immigrants from the West Indies, and the United States (Krauter anc Davis, 1978:41). Head (1974:21) estimates the 1975 Black population of Toronto at between 60,000 to 100,000 and Sharma (1980:37) reports that 4% of Metropolitan Toronto's population was Black in 1980. These estimates are in great contrast to the small Black population prior to the 1960's. Part of this contrast is explained by changes in immigration policy. Although earlier immigration regulations were never as overly discriminatory towards Blacks as they were towards Asians, they did function to keep numbers small. Davis and Krauter (1971; 1978) speak of a "general antipathy" toward Black immigration manifested through definite restrictions in war time and through strict interpretation of the "unsuitability clause" in immigration acts before 1953 (See also Winks, 1971).

Unlike Asian immigrants, Blacks have always had the same legal status as other Canadians including the right to vote and full standing in the courts (that is since 1833 and the abolition of slavery). However, they have suffered discrimination in housing and employment and in the past were often denied full use of provincial educational facilities and public accommodation in cinemas and restaurants (Krauter and Davis, 1978:44). Because this type of discrimination is often so subtle and nebulous, it is difficult to assess the present state of Black-White relations and its implications for Black entrepreneurship.

In general, it would seem that discrimination in employment might act as a push factor to encourage independent entrepreneurship but that lack of a Black community in the area would focus business activity in the open as opposed to the ethnic sector.

Bogue and Shakeel's study on the labour market experiences of recent immigrants to Toronto suggests that Caribbean immigrants have not been very successful in finding work in their intended fields (1979:53). Of the six immigrant groups considered, Caribbeans and East Indians were the only ones citing racial discrimination as a reason for taking longer than three months to find work (1979:50). Compared to the other groups, they tend to have high percentages feeling that Canadians resent immigrants taking jobs during times of high unemployment; that some jobs are reserved for Anglo-Saxons; that there is a distrust of foreign education and professional qualifications; and, that the requirement of Canadian experience makes it difficult to get work for which they are qualified (1979:76). While these findings cannot be generalized to the overall Black population, they do suggest that self employment might be a more attractive alternative.

Both Head (1974) and Davis and Krauter (1971; 1978) discuss the lack of a Black community. Head points to a scattering of the Toronto population and a movement away from Black organizations and racial consciousness in the post World War II period (1974:13); to several dispersed residential locations (1974:35); and, to the testimony of Black respondents:

> But most respondents simply do not believe that a "Black community" exists, at least not in Metropolitan Toronto. Their responses indicate that the Black population is fragmented, isolated, divided into several groups and alienated from the general community (1974:69).

Davis and Krauter tend to highlight the internal divisions between Canadian born and immigrant Black groups suggesting it inhibits the emergence of influential or experienced spokesmen (1971:41). Whatever the cause, they do link lack of Black identity to lack of leaders and common causes (1978:41).

Lack of community is one of the critical factors cited by Light (1967) in his analysis of the poor entrepreneurial performance of American Blacks and by Ward and Reeves (1980) in their study of the unsuccessful West Indian businesses in England. Although the experiences of Black businesspeople in these two countries cannot be directly applied to the Canadian situation, given the apparent lack of a Toronto Black community and the dearth of Canadian studies, it is worthwhile to review this literature.

In Britain, West Indians tend to have "little businesses" where capital is small and growth beyond the one man shop slow. In part, this is due to a lack of either craft or administrative skills needed for a larger operation.

Lack of capital prevents many with these skills from developing a business despite ambitions and commercial accumen. Inexperience in presenting financial proposals and possible discrimination by financial institutions add to the problem of inadequate capital. There are difficulties with renting suitable premises largely due to stereotypic fears that this would run the neighbourhood down. There is little reliance on family labour and most lack expertise in getting and keeping employees, especially white workers. Recent settlement, a largely rural background, lack of previous business experience, lack of strong family and community systems of support, absence of a natural ethnic market and lack of a geographical concentration of ethnic minority customers are also factors in the relegation of West Indian businessmen to very minor forms of business activity. (Home Affairs Committee, 1981; Ward and Reeves, 1980).

The literature reviewed suggests that in America, Blacks have not been very successful as entrepreneurs. (Frazier, 1963; Light, 1967; Bonney, 1974). Factors in this situation include lack of natural ethnic markets; difficulties getting bank loans; lack of traditional social organizations providing rotating credit to capitalize ventures; and the fact that the wage labour route, albeit poorly paid and of low status, was open to them (thus obviating self employment as a last resort). Even with the emergence of a Black capitalism movement with government, corporate and community sponsored programs to develop a significant small enterprise sector in the community, Black business has not prospered to any significant extent.

2. The South Asians:

The first South Asians to Canada arrived near the turn of the century to work in the sawmills and mines of British Columbia. Their arrival was during a period of heightened Chinese and Japanese discrimination and they were perceived as part of the "Asian Menace". Matters were not improved by the advent of a severe economic depression. In 1908, a federal ban on further immigration was imposed which continued until 1947. Although wives and children were admitted in the 1920's, the population remained quite small, with many of the original settlers leaving the country. During these early years, the provincial government passed a series of laws barring South Asians from full political, economic and social participation. Such restrictions, which included disenfranchisement, and exclusion from certain businesses and professions also remained in effect until after World War II although an increasing range of economic activity became available. The post war era is witness to many shifts in the range of rights and privileges open to Asians. Formally, there has been liberalization of immigration regulations, the right to vote and the abolition of all other legal limitations. There is less institutional racism but discrimination persists in hiring and exposure to abuse and violence (Buchignani, 1977; 1979; 1980). There also seems to be a continued negative stereotyping (Ontario Ministry of Culture and Recreation, 1978:5):

> Knowledge about East Indians among the general public originates in residual erroneous impressions from the early Twenthieth Century experience in British Columbia, the remnant attitudes of British colonialism, the current negative attitudes transmitted by some new British immigrants to Canada and irresponsible mass media publicity of the issues affecting the group. Thus negative stereotyping has occured which has exacerberated the problem of the acceptance and integration of East Indians into Canadian society.

There are major differences between the early immigrants and those who have settled in Canada since World War II. The first arrivals to British Columbia were generally poorly educated males of peasant origin. Their descendants have now evolved into an affluent community, including third and fourth generations, some of whom are extremely wealthy businessmen. Post war immigrants have arrived from a variety of countries (not just India) and until the 1960's, most settled in British Columbia with Ontario receiving South Asians only in the last twenty years or so (Ontario Ministry of Culture and Recreation, 1978:17). Until 1946, almost all immigrants were concentrated in three occupations - saw milling, farming and trucking. The fifties and sixties witnessed a greater proportion of those in managerial, professional and technical occupations and between 1962 to 1973, almost half were concentrated in the professional-managerial sector especially in teaching, engineering and medicine.

Many have gone into business as well not only in easily recognized areas such as boutiques, restaurants and spice shops but also in bakeries, grocery stores, service stations, automotive dealerships, importing, manufacturing and the textile industry.

The extent to which there is an ethnic community in the Toronto area is open to debate. South Asians are subdivided into numerous cultural, religious and language groups and are from a variety of countries (International Institute of Metropolitan Toronto, 1972). In general, they have not established ethnic neighbourhoods but are scattered throughout residential districts, rich and poor (Ontario Ministry of Culture and Recreation, 1978:17). Buchignani comments:

> Nowhere in Canada have South Asians been able to build up an ethnically based economic structure sufficient to confer economic benefit on more than a handful of resourceful entrepreneurs. South Asian Canadian economic entrepreneurship is for the most part small scale and much of it is oriented to the provision of goods and services not duplicated by larger and more capital intensive firms. Few South Asian Canadians are presently in a position to hire their

kin and countrymen. (1979:59)

At the same time, there are two major South Asian business districts in Toronto, each with a local business association and although not located in areas of residential concentration, they do tend to provide ethnic and non ethnic goods and services to both ethnic and non ethnic clientele. For at least some entrepreneurs, there is an adaptive advantage of using cultural background for economic benefit. Buchignani suggests that the ethnic community does exist for conferring benefits on an individual level particularly by providing an informational, financial and social basis to ease the adaptation of new immigrants to the area and by supplying individual self identity. Thus, the community is a bridge between two social orders (1979; 1980).

Bogue and Shakeel's study seems to indicate that discrimination, although much less severe than previously, continues to be a problem for East Indians in the occupational realm. Except for Caribbeans, East Indian immigrants are the least successful of all groups studied in finding work in their intended occupations (1979:53). And, like the Caribbeans, East Indians were the only groups citing racial discrimination as a reason for taking a long time to find work. (1979:50). Relative to other immigrant groups, they have higher proportions aware of racial problems and who feel foreign accents and lack of Canadian experience hinder their ability to get good jobs. (1979:76). Buchigani points out that South Asians are economically impeded in Canada as they are initially disadvantaged in terms of access to the practical knowledge of how to "work the system" (how to write a proposal, what educational facilities are available, how to tap informal informational networks for career opportunities, etc.) (1979:60).

The extent to which such things as lack of Canadian experience, non recognition of qualifications and the like are also potential problems in the business sector will be considered later. At present, it is instructive to look at some material on East Indian entrepreneurship in Britain. Certain configurations seem similar although care must be taken in applying the British scenario to the Canadian situation. The division between businesses totally absorbed into the local commercial sector and those serving the ethnic community and the relative success of these entrepreneurs are especially worth noting.

A British government report finds that the numbers of those in business is proportionate to the country as a whole and that there is a large variation in the kinds of businesses and their scale. There seems to be no firm evidence that Asian entrepreneurs suffer from serious disadvantages different in kind to those faced by all businessmen. These entrepreneurs do not perceive themselves as disadvantaged, and while there is a disproportionate dependence on the banks for start up capital, no special difficulties obtaining capital have been reported. There does seem to be a problem of access to a local government's selective list of contractors, but in England, this is common to all new businesses (Home Affairs Committee, 1981:ixxxiv).

Ward and Reeves enumerate several factors found to be related to this success. These include: a global business heritage related to a role of middlemen trading communities; previous involvement in similar lines of business prior to immigration; possession of adequate business capital through ownership of property; strong family, kinship and community social and economic solidarity; areas of availability in retailing where competition had driven out white businessmen and, denial of access to jobs that would use their professional and clerical skills (1980:15-33 passim).

It is important to note that these factors vary in saliency depending on the kind of business. A small study of ethnic entrepreneurs in the Manchester area finds the following. Those East Indian businessmen who have become part of the local bourgeoisie in the textile trade had been involved in similar businesses before. Those who were part of the local bourgeoisie in wholesaling and manufacturing were previously urban small shop keepers as were those in the small business sector of market trading and shops. Those in very small shops catering to the ethnic market were from rural farming backgrounds (Ward and Reeves, 1980:14). There was also a major distinction between East Indians who were concentrated in larger business concerns and Pakistanis who specialized in Asian goods and services (Ward and Reeves, 1980:15; Mullins, 1979:404). Other studies in England suggest that the success of those going into business for themselves is more apparant than real. Ward and Reeves find an over concentration in the least profitable and more marginal sectors of retailing. They comment that these "little" entrepreneurs have merely exchanged the status of second class worker for that of second class proprietor (1980:15). The implication seems to be that self-employment is often a cover for racial disadvantage.

3. The Chinese:

The early history of the Chinese in Canada has been well documented in a variety of sources (See for example Wickberg, 1980; Chan, 1980; Foon Sien, 1967). It is a history fraught with institutional racism including: disenfranchisement from 1894 to 1947; exposure to violence and loss of property as in the Vancouver riots of 1907; residential, educational and occupational segregation; and the severe restriction of immigrants and exclusion from many commercial sectors imposed by the Chinese Immigration Act of 1923 which lasted until 1947.

One result of the severe discrimination in employment which prohibited Chinese businessmen from working at or owning trades and businesses that were in direct competition with white businesses was the establishment of Chinese small businesses of laundries and restaurants (Light, 1967; Ontario Ministry of Culture and Recreation, 1978). Another result was Chinatown - a particular configuration of ethnic community. In the post World War II era, with more liberal immigration policies, the removal of legal, occupational and residential constraints and a greater attitude of accommodation and tolerance, the Chinese have moved into a much wider range of business activity and into professional-managerial occupations that are not necessarily located in the contemporary Chinatown. However, in Toronto, Chinese entrepreneurship is still very much linked to the social organization of Chinatown. Thus, it is relevant to briefly summarize this relationship which is detailed much more fully by Thompson (1979).

Thompson defines three phases to Toronto's Chinatown - the traditional community, 1880-1947; the transitional community, 1947-1967; and, the contemporary community, 1967 to the present. Enterpreneurship differs in each period.

The business activity of the traditional community was in the established ethnic occupations of laundryman and restauranteur. In 1923, 47 laundries, 202 restaurants and 9 retail grocers served a Chinese population of about 2,500 (Thompson, 1979:38). The social system in which business operated was based on homeland ties of clan and region.

During the transitional period, 1947-66, there was a weakening of traditional social organizations, a relative lack of new immigration but a significant increase in the numbers of Canadian born Chinese who were not dependent on the traditional ethnic structure. At the same time, the wider society was providing a more favourable opportunity structure. So, many Chinese did not enter traditional occupations in the ethnic community but became associated with firms in the dominant society. Business growth in Chinatown was very small and while there were increases in the numbers of professionals,insurance agents and travel agents, the commercial base remained tied to a stable, small, tourist centered economy of restaurants and gift shops (Thompson, 1979:104). However the power of these merchant elites was quite significant. These entrepreneurs controlled business practice, owned substantial commercial property, and were very influential in the informal credit clubs and community associations of the area.

The contemporary period is one of growth and diversity. "Growth in immigrant numbers has led to direct growth and reliance upon the ethnic communities and in the case of the Chinese, a tremendous expansion of the ethnic economy" (Thompson, 1979:140). Ethnic enterprise is still heavily reliant on tourist based industries but has diversified into services catering to the needs of the immigrant population. These include real estate and insurance agencies, banks, legal, medical and other professional services. The contemporary era is also witness to the development of what Thompson calls the "new entrepreneurial elites". Vast economic resources support their entrepreneurial ventures into large scale restaurants, shopping malls, business complexes and other developments. Most of the non Chinatown Chinese are employed in the dominant sector or are well to do entrepreneurs who remain very influential in the affairs of Chinatown (Thompson, 1979:180).

To summarize, the majority of Chinese entrepreneurship in Toronto seems contained within a community with all of the characteristics of the immigrant economic enclave described previously. It seems clear that the ethnic enclave provides significant occupational and entrepreneurial advantage for at least some. Bogue and Shakeel find Chinese immigrants more successful in getting work in their chosen fields than any other group studied (1979:53). A full 3% (much larger than for other immigrant groups) of Chinese immigrants cited self-employment as a reason for finding work quickly (1979:46).

In contrast, Thompson clearly sees this enclave as exploitive of Chinese immigrants and to the benefit of entrepreneurial elites alone. He also strongly suggests that the existence of a successful Chinatown has perpetuated disadvantage for other Chinese Canadians. He states: "Other educated (therefore bilingual and bicultural) Chinese...feel that their ethnic status is regarded as more important than their occupational skills" (1979:242) and cites the words of one informant as representative:

> "It's not that they don't think I'm well educated or can't do the job. Employers don't regard the Chinese as some lower form of humanity like they do blacks and Pakistanis. It's just that they feel no need to hire me. They know that if I don't get a job here I can go to Chinatown and sell insurance or work in a restaurant" (1979:243).

The extent to which similar processes may be at work to hinder the chances of Chinese entrepreneurial success outside the ethnic enclave is a question which requires further research and this issue will be considered more fully later in the report.

4. .e Japanese:

.he earliest Japanese immigrants, or Issei, were clustered on the Pacific Coast. They were preceeded by Chinese immigrants whose presence had evoked widespread hostility and discrimination. Increasing numbers of Japanese, their residential concentration and rapid expansion into many areas of economic activity helped motivate white Westerner's demands for legislation to check immigration. Daniels (1977) argues that true exclusion never came as the government was bound by treaty and other diplomatic issues not to offend the Japanese government. Others however, have seen changes in the informal "Gentleman's Agreement" which did, in effect, limit immigration to specific numbers and specific occupations (Young and Reid, 1938; Davis and Krauter, 1971; 1978).

During the pre World War II period, over 95% of the entire Japanese population in Canada resided in British Columbia where provincial legislation barred them from the right to vote and from entering certain professions. The Japanese were also vulnerable to discrimination flowing from notions of the "Asian Menace" (Daniels, 1977:92). However, compared with the Chinese, the Issei and Nisei (second generation Canadian born) were more effective in defending themselves from persecution. Davis and Krauter (1971) point to well organized religious and social organizations and ad hoc associations assisting political and economic struggles in this connection.

Certainly, their economic and commercial activities seemed less restricted than those of the Chinese or East Indians. Particularly in the 1920's, there was a shift from a concentration in lumbering, fishing, mining, railroad construction and domestic service into farming and commercial occupations. Interestingly, despite residential concentration and a well defined ethnic community, Japanese business activity was dispersed and scattered throughout the city and catered to Japanese, mixed and exclusively white clientele (Young and Reid, 1938:72). In the 1930's, the largest businesses included a major Trust Savings company, import/export firms, manufacturers and wholesalers while smaller enterprises encompassed groceries, drug stores, restaurants, general retail shops and lodging houses (Young and Reid, 1938:230). In the non urban areas, the largest proportions were involved in agriculture with almost one quarter being farmers rather than farm labourers. The overall impression is one of a well defined ethnic community giving individual identity and support but where entrepreneurship was not restricted to that community.

The experience of Japanese Canadians during the World War II period with its relocations, displacements, and incarcerations has been well documented elsewhere (La Violette, 1948; Ward, 1976). In brief, almost the entire West Coast population was uprooted, separated from its property and placed in concentration camps. Subsequent financial adjustments for the loss of residential and commercial property were less than equitable and mobility restrictions persisted until 1949 (Daniels, 1977). While the much smaller Eastern population did not suffer relocation, one assumes that war time attitudes had negative implications for business.

The post war period has seen the disappearance of all legal discrimination and a geographical dispersion of the Japanese population. Subsequent immigration has also been to more areas of Canada, especially urban centres. Daniels comments that the contemporary Japanese community is now fractionalized and seems to have a less cohesive sense of self; that the majority are firmly embedded in the middle class; and, that Sansei (third generation) follow a pattern of extreme acculturation including high rates of exogamous marriage. He then speculates on their continued existence as a self-conscious ethnic group (1976:98).

In the last twenty years, traditional prejudices seemed to have diminished significantly and the social and economic positions of the Japanese have greatly improved. Davis and Krauter suggest the role of Japan as a wealthy modern industrial nation and large scale investments by giant Japanese corporations may be contributory factors in this respect (1971:88; 1978:123).

The implications of these changes for Japanese entrepreneurship are fairly clear. Many have gone into the professions; others are involved in managerial careers in core and multinational enterprises and some are located in the small business sector of the wider society. One might expect that perception of racial problems in the business concerns of these groups will be minimal by virtue of both a greater attitude of accommodation by non Japanese and a greater degree of assimilation by the group themselves.

5. Summary:

In summary, before World War II, Blacks and Asians all suffered from legal and extra legal forms of discrimination. In the post war period, especially in the last twenty years, there has been a shift towards greater equality in the formal allocation of rights and privileges - more equitable immigration criteria; enfranchisement; full legal standing in the courts; and, legislation geared to equal employment opportunity. However, discrimination in housing and employment continues to persist, albeit in modified and subtle forms. Racial incidents including verbal and physical abuse in some major cities also attracts attention to the problem.

The earlier forms of discrimination had implications for the entrepreneurship of visible minority groups in the past. The extent to which contemporary forms of discrimination affect their current business activity is a topic for investigation in the Chapters to follow. The literature just reviewed suggests that the racial element may take different forms among different groups.

The Chinese offer an example of ethnic institutional completeness and an immigrant economic enclave. Those outside the ethnic community tend to have moved into professional and managerial occupations in the dominant society. Most business relies on the ethnic community. Traditional occupations, initially imposed by prejudice, have been successfully turned to advantage in the tourist industry at the same time as a continued inflow of immigrants allows the expansion of the ethnic economy into other service and commercial ventures. It is possible that internal divisiveness and competition create problems for businessmen. It is also possible that the viability of the ethnic community hinders those wishing to move into other entrepreneurial ventures by making ethnic affiliation more salient than qualifications.

The Japanese provide an example of integration into the dominant economy both for high and middle level managerial careers in large business and for small scale proprietors. Discrimination may be less of a problem than for other groups.

South Asians may be located at a crossroads between the Chinese and Japanese examples. Immigration inflow and entrepreneurial skills make the development of an ethnic economy feasible but there is little evidence that this has been a favoured strategy in the past or in other parts of the world. Occupational aspirations and qualifications seem to indicate ventures into the dominant economy both commercially and in the professions. Access to this business world may be the critical problem for this group.

Directions of Black entrepreneurship seem the most difficult to pin down. There seems to be little possibility of using the ethnic market as a resource. With neither a coherent community for social and economic support nor full access to mainstream occupational placement, successful business ventures of large scale may be severely limited.

More ideas of the nature and extent of visible minority businesses in Toronto will be given in the Chapter to follow. After this examination the findings from interviews with visible minority business proprietors will be presented.

CHAPTER TWO: STUDYING VISIBLE MINORITY BUSINESS

Questionnaire construction, sample design and fieldwork procedures are critical steps for all survey research. For the exploratory study reported here, they have the added significance of contributing to our overall understanding of the nature of visible minority businesses. Thus, it is useful to detail each step in greater detail than is perhaps usual in analyses of survey data.

A. Questionnaire Construction:

In the preparation of a survey instrument there were two primary considerations: how to collect data on a very sensitive topic and how to ensure the relevance of the questions asked.

On topics that are very personal, sensitive or of a threatening nature, there is a tendency for respondents to under-report both frequency and seriousness or to give information of a very non specific nature. So, while it was important to retain open ended questions allowing the respondent to describe business problems, it was also important to prompt for specific situations and to probe for any real or perceived racial element. It was felt that by focusing on the business context only and by putting the majority of the more sensitive questions towards the end of the schedule, the tendency towards under-reporting would be lessened.* There is, however, little reason to believe that it has been eliminated.

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* Other procedures, not directly related to the questionnaire, were also used in an attempt to make participation in the survey a less threatening experience and to make respondents more comfortable in reporting their experiences. The aims of the study, its sponsorship and its exploratory nature were explained to potential respondents during initial contact. The interviews were conducted at times and locations convenient for the respondent. Anonymity was guaranteed and participation was always voluntary.

Discussion with experts in the field of business administration, a search of the literature and conversations with personnel at the Race Relations Division of the Ontario Human Rights Commission were extremely fruitful in defining areas of entrepreneurial activity that might be relevant. At the same time, so little work had been done on visible minority entrepreneurship, especially in a Canadian context, that criteria for inclusion in a questionnaire with time constraints on length were problematic. To a great extent, these matters were solved through a meeting organized by Race Relations Division, of visible minority businessmen. After an open discussion of problems in business operation containing a racial element, these businessmen then commented on a draft questionnaire. They functioned as a panel of experts, criticizing individual items and as key informants pointing to areas of concern not previously considered.

The information gained from this meeting is also important in its own right as it sheds light on the nature of visible minority business. These data are summarized below:

1. Customer Relations:

Especially in retail and service enterprises, there is sometimes a tension in day to day interaction with customers which may involve a racial element.

2. Employee Relations:

Day to day relations with non visible minority staff can contain an element of racial tension often manifested as disrespect towards the proprietor/manager.

3. Financing:

In situations where a sizeable loan is required for start up capital, banks scrutinize applications from visible minority businessmen more carefully than usual. If the loan goes through, it often goes through on other than the merits of the business proposal. Additional guarantees (i.e. higher collateral) may be required and past business experience in other countries may not always be acknowledged. It is unclear whether banks exercise such extra caution only when the businessman is a member of a group with a bad financial reputation or out of racial discrimination - "when he sees you, he asks for more collateral". It is also unclear whether an ethnic group's financial reputation is based on hard statistical facts or hearsay. However, since getting a bank loan depends on the discretion of the individual bank manager, who deals with the applicant directly, success and failure will be dictated by his "gut reaction" as much as by financial policy.

Ethnic stereotyping may also affect getting bank loans. Bankers may question the ability of certain businessmen in particular lines of enterprise - "Why don't you go into this business instead? You folks are good at that."

4. Access to Know How:

Among some visible minority groups, there is a lack of awareness of where to go if one wishes to start a business and other, already established, entrepreneurs do not share this inforamtion. There is often a reluctance to approach experts for assistance in managing business affairs which may stem from a fear of exposure of bad business practices or from anxiety over the costs involved. Reliance on non professional advice can play a role in mismanagement that leads to business failure. Awareness of government assistance programs may also be lacking especially among smaller entrepreneurs. Cultural background and previous business experience condition a businessman's awareness of such matters. Ethnic group organizations can be rich resources allowing a newcomer to become familiar with the rules of doing business in Canada.

5. Exclusion from Markets:

Certain lines of business, under conglomerate control, are hard for ethnic groups to enter and if the attempt is made, the businessman is often forced into bankruptcy. Established alliances among suppliers and customers exclude new ventures. It is unclear to what extent this is part of the small versus big business relationship but when the alliances don't include visible minority groups, it is a matter of race. This is expecially likely when the entrepreneur had the know how but did not survive.

No claim is made that the above is generalizable beyond the experiences of the small number of informants. However, it is interesting that these opinions match some of the findings reviewed in Chapter One. Many of the suggestions made in the meeting with visible minority businessmen were incorporated into the final version of the questionnaire.

A copy of the questionnaire is included in Appendix A. It has three components: 1) business structure and operation; 2) background characteristics and experiences of entrepreneurs; and, 3) problem areas in business including financing, regulations, networks of information, use of government assistance, relationships with the business community and relationships with the residential and wider community.

B. Sample Design

Using a variety of sources, listings of businesses owned by Black, Chinese, South Asian, Japanese and other Canadian and foreign born businesspeople were prepared. Within each group, size and type of business was varied. A quasi quota method was used during fieldwork such that attempts at interviews continued until 12 completions in each group were obtained.

There was no attempt to draw a systematic, representative or stratified random sample. In exploratory studies, there is less of a demand for a representative sample. Each case, in a way, is a study unto itself producing information that will form part of a conceptual framework to facilitate future, more rigorous, investigation. What is demanded is a sample from which tentative concepts or hypotheses will emerge. By collecting information from a variety of visible minority groups involved in different kinds and sizes of businesses and by including a control group of non visible minority entrepreneurs, this requirement is met.

However, in any large scale study of the phenomena identified by this report, a proper sampling frame would be critical. And, the construction of such a sample would be extremely difficult for a variety of reasons. These problems also shed light on the nature of visible minority enterprise so it is important to consider them in some detail.

No complete listings of visible minority businesses exist and most directories are incomplete and out of date. Therefore, three different sources were used: 1) names provided by personnel at Race Relations Division; 2) names provided by outside contacts suggested by Race Relations Divisions; and, 3) ethnic business and professional directories compiled at various times between 1972 and 1978.

Since these sources are incomplete and biased in unknown ways, no claim can be made that the selections are fully representative. One bias that should be especially noted is one towards enterprises still in operation. Informants gave names of those known to be currently active. Businesses appearing in directories were omitted if they no longer appeared in the 1981 Toronto telephone book (and there were many instances of this). It may be that the racial element is more salient for unsuccessful visible minority entrepreneurs than for those who have survived. However, this issue cannot be addressed in the present analysis.

In addition to "failed businesses", other enterprises were excluded from the selections. These included: franchise operations such as convenience stores and fast food outlets; self-employed professionals (doctors, lawyers, accountants, etc.), travel, insurance or real estate agents who do not normally employ others; and very little businesses with no employees other than the owner. Thus the sample does not represent those who are self-employed (but without employees) in craft skills, trades, services or the professions.

In using the business directories, eligible businesses were chosen at random. However, since all businesses are not included in such directories, the resulting selections cannot be strictly considered random. Selections provided by informants were not randomly selected. The control selections were chosen at random but within broad categories to create a rough correspondence with the kinds of visible minority businesses in the listings. So, lines of business in which only non visible entrepreneurs are involved were not eligible for inclusion.

For our purposes, it was sufficient to select a mixture of larger (over 20 employees) and smaller enterprises and to vary type to include manufacturing, importing, retailing and service operations. Ideally, for a large scale study, the sample should be carefully stratified along several dimensions in addition to size and type (i.e. length of time in operation; location with respect to ethnic commercial concentration, Canadian or foreign born proprietors, etc.). As the above discussion shows, this would be difficult to achieve.* We know little enough about the universe of visible minority groups, let alone about the universe of visible minority entrepreneurs.

Accurate figures on the size of each visible minority group in Toronto would be useful for information on labour force participation and to give a sense of relative over or under employment. However, such population estimates are difficult to achieve for a variety of reasons. The 1981 census data are not yet available so there is a reliance on figures more than 10 years out of date. Further, Employment and Immigration no longer collects data on ethnic origins. Other groupings such as country of birth or language are not adequate. The former is not a reliable indicator of racial group and the latter is often too broad to be useful. While there is good immigration information, estimates based on these data omit Canadian born Blacks and Asians.

Similar inadequacies are encountered in attempting to overview socio-economic characteristics of specific visible minority groups. There is good data on educational and occupational characteristics for some immigrant groups but not for all. Comparable figures for Canadian born minorities are generally lacking or based on very small samples. Since it is reasonable to assume that education and previous occupation have important implications for entrepreneurship these gaps are unfortunate. Also, most industrial/occupational categories do not specify entrepreneurship. To know that a high percentage of a certain group is in the service sector tells us nothing about the proportion of owners relative to salaried managers in that sector.

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* For a large scale study, a very extensive screening operation would be necessary which specified type of business, size of business, length of time in operation, racial origin and generation of the proprietor for all Toronto business establishments. Only then could an adequate sample be drawn. There is a point of view which holds that asking for information about race has racist overtones. So, in addition to the time and costs involved, such an undertaking would be vulnerable to negative interpretations.

As previously discussed, ethnic business directories tend to be out of date and incomplete, making descriptions of kinds of businesses extremely selective.

During the preparation of the selections for this study, these difficulties were handled as well as possible under the circumstances. As long as the limitations discussed above are kept in mind, it is informative to summarize what we do know about each visible minority group under consideration.

Visible minority groups constitute a significant proportion of Toronto's population. Sharma indicates that 12% of the sample from a Toronto area survey reported belonging to a visible minority group (1980:30). The numbers estimated for each group vary considerably but it is clear that Blacks, Chinese and South Asians are more numerous than Japanese Canadians.

Head estimates that in 1971 there were more than 28,000 Blacks in Toronto - 12,000 Canadian born and 15,000 of West Indian origins and places the 1975 Black population at between 60,000 and 100,000 (1976:21). The 1971 Census lists 6,475 Negroes and 15,623 West Indians in Metropolitan Toronto. Bogue and Shakeel estimate the Chinese population in Toronto at 25,000 (1979:10) which is comparable to the 26,285 listed in the 1971 Census. However, Thompson estimates the current Toronto Chinese population at 60,000 plus or minus 10,000 (1979:147). Toronto's Japanese population is much smaller. The Japanese Directory for Metropolitan Toronto places it at around 12,000 (International Institute of Metropolitan Toronto, 1972) and the 1971 Census figure is 11,960. Estimates of the South Asian, East Asian or East Indian population show the greatest variability. The 1973 East Indian Directory gives a figure of 20,000 including those from India, Africa and European Countries (International Institute of Metropolitan Toronto, 1973). Bogue and Shakeel summarize other estimates which range from 23,500 to 80,000 (1979:9).

The educational level of visible minority groups also varies. In Bogue and Shakeel's sample of recent immigrants to Toronto. East Indians and Chinese immigrants have particularly high educational attainment with 41% of the former and 30% of the latter completing university. In comparison, recent Caribbean immigrants have a lower educational standing with only 15% completing university (1979:54). Reitz finds a similar contrast between Chinese and West Indian ethnic groups in Toronto. Mean years of education for Chinese men is 13.8 compared to 11.6 for West Indian men, while for majority Canadians the male average is 14.1 years (Reitz et al. 1981:23). In contrast, Head's figures (1976) for Blacks as a whole place them slightly above the percentage in Metropolitan Toronto completing university (Sharma, 1980). No figures were available for the Japanese in Toronto. Table 1 presents educational data from a 1981 Toronto area survey conducted by the Institute for Behavioural Research, York University. The Table should be read with caution (as should the percentages given above) as the ethnic sample sizes are very small. These data also suggest the higher educational achievement of Asians compared to West Indians.

TABLE 1. - EDUCATIONAL LEVEL OF SELECTED VISIBLE MINORITY GROUPS AND OVERALL POPULATION IN METROPOLITAN TORONTO (PER CENT)

	Ethnic Groups				
	Chinese	East Indian/ Pakistani	Other Asian	West Indian	All Other
No formal education	-	-	3.1	6.7	8.0
Primary school	-	7.7	15.6	33.3	24.3
High School	63.2	42.3	21.9	36.7	32.5
Post secondary	26.3	19.2	15.7	16.6	16.9
University or beyond	10.5	30.7	43.9	6.7	16.3
Number	(19)	(26)	(32)	(30)	(1528)

As Table 2 shows, a very small percentage of all immigrants to Canada report intended occupations as entrepreneurs. Thus, one might assume that the universe of visible minority entrepreneurs in Toronto would be quite small. This is especially so as between 1976 and 1979, there is a general decrease in the percentage. In 1980, only 264 of 46,209 immigrants were classed as entrepreneurs. There are, of course, considerable differences between intended and present occupation, so such an inference is made with a fair degree of caution.

TABLE 2. - PERCENTAGE OF IMMIGRANTS TO CANADA WITH INTENDED OCCUPATION OF ENTREPRENEUR, 1976-1979*

Area of Last Permanent Residence	Percentage with Intended Occupation of Entrepreneur			
	1976	1977	1978	1979
Europe	1.55	.95	.55	.29
Africa	2.84	2.12	1.19	.51
Asia	1.12	2.24	.63	.21
Australia	.69	.39	.57	.72
North/Central America	2.09	.96	.47	.36
Caribbean	.44	.49	.07	.08
South America	.40	.33	.31	.14
Oceania	.42	.77	.14	-

Source: Immigration Statistics 1976 - 1979. Employment and Immigration Canada.

* Percentages are calculated as the number with intended occupation of entrepreneur over the total number of immigrants.

The distribution of visible minority groups over occupations and industries could be used to give some idea of the type of business available if they were in a position to start up an enterprise practicing the skills they were currently employed to use or to suggest likely sectors in which entrepreneurial activity might have emerged. The figures presented in Table 3 give some idea of this occupational placement for recent immigrants. These data are not derived from the same sources so care must be taken in making more than the most general comparisons. The occupational distribution of the Japanese is for all Japanese immigrants to Canada while for the other groups, the percentages are based on a Toronto sample. It is also important to remember the occupational placement of the Canadian born is not reflected.

TABLE 3. - PRESENT OCCUPATION FOR SELECTED VISIBLE MINORITY GROUPS, 1977 (PER CENT)

Occupation	Recent Immigrant Groups			
	Caribbean	Chinese	East Indian	Japanese[1]
Managerial/Administrative	2.7	5.5	8.1	4.1
Natural & Social Sciences	3.9	9.3	14.7	2.9
Miscellaneous Professional	10.5	5.8	5.1	7.0
Clerical	21.3	22.8	19.8	5.3
Sales	3.6	6.1	4.8	0.5
Services	10.7	16.3	4.2	18.9
Processing	3.9	7.3	2.4	0.5
Machining/Fabricating	24.0	17.2	27.6	2.9
Construction	3.0	2.6	--	0.5
Transportation	0.9	2.0	1.5	--
Material Handling/Crafts	1.2	1.2	2.7	--
Supervisors/Inspectors	1.5	0.6	2.1	Not available
Labouring	8.4	1.7	4.8	Not available
Other		Not available		3.2
Ineligible/Unemployed or Refused	3.6	1.5	1.8	54.1
Number	(335)	(344)	(333)	(412)

[1] Japanese sample is for Canada as a whole, other samples are Toronto based. Sources: Bogue and Shakeel (1979) and Employment and Immigration, Immigration Statistics (1977).

The results are inconclusive. Service businesses may be more likely among Blacks, Chinese and Japanese than among other South Asian groups. Machining and fabricating enterprises may be attractive to all groups except the Japanese. The relatively high proportions for all groups in clerical occupations and of Caribbean and East Indians in labouring occupations may suggest that many enter the business world only in salaried positions. If one assumes that managerial and administrative occupations include those who are entrepreneurs East Indian immigrants seem more successful than other groups.

Reitz et al. (1981) provide some additional information on the occupational placement of Chinese and West Indian men. Compared with other ethnic groups of European origins, occupational segregation is high but work role segregation (working with members of the same ethnic group either as subordinates or supervisors) is relatively low (1981:50). "Chinese men work as cooks and in various service occupations such as laundering...others are now concentrated in medicine and the sciences... West Indian men are segregated in paramedical jobs, as watchmen and many other occupations" such as welding, reception and information clerks, hairdressers and chauffeurs (1981:36).

The report concludes that the conventional stereotype of minority ethnic groups as segregated in occupations and work settings in which they have low status jobs and low income applies to West Indians but not Chinese. However, to some extent, some West Indian men are also segregated in occupations (but not work settings) where there is high status but not high income. Those with high levels of education in specific fields such as health and medicine do obtain jobs in the field but do not form a "niche" in the sense of well-established West Indian medical clinics. Chinese men tend to be concentrated in high status occupations but not clustered in work settings with high status and in these segregated occupations often receive high incomes (Reitz et al. 1981:64-65).

Ethnic business directories are a final source of information about the kinds of entrepreneurial activity visible minority groups are undertaking. It has already been pointed out that such listings are incomplete and often out of date. They are also geared to different readerships which biases them further. For example the Black Dial Directory,1976-77 includes businesses that are not run by visible minority proprietors. Rather they "are for the information of persons of that ethnicity" (i.e. African or Indo-European descent). In contrast, the 1980 Chinese Business Telephone Directory claims it "contains all of the telephone numbers of Chinese business establishments". The South Asian directory is geared towards small business while of the Japanese directories, one was prepared as an aid to immigrants and the other listed paid business advertisements. In combination, these biases result in a distorted view of visible minority business.

Chinese entrepreneurship is concentrated in food related retail and wholesale trade and in the service sector. Of 1333 businesses in the directory, 472 or 35% are service oriented; 422 or 32% are in food related trades; 274 or 21% are professional or semi-professional; and the remaining 165 or 12% are in non food related retailing and wholesaling. The most frequently listed establishments include restaurants, laundries, groceries, food stores, gift shops, contractors, trading companies, electrical appliances and automotive services.

A majority of the 501 businesses in the Black Dial Directory are in the service sector (52%) with the remaining 240 enterprises about evenly distributed in trade (18%) food related trade (16%) and the professions (14%). Frequently listed businesses include beauty and barber shops, groceries, entertainers, real estate agents, restaurants, boutiques and record stores.

The greatest proportion of 247 listed South Asian businesses are in food related trades (41%) and services (35%) with the remainder in various retail areas (21%) or the professions (3%). Groceries, restaurants, saree and clothing stores and newspapers are frequently listed.

Quite a different picture is seen in directory listings of Japanese enterprise. Of 139 businesses, most are concentrated in a commercial sector composed of branch locations of Japanese or Vancouver based firms (34%), in services (27%) or in the professions (22%). Very small percentages are in food related or retail businesses.

The nature of entrepreneurial activity in the service sector tends to differ depending on the group in question. Japanese, Chinese and Blacks are much more predominant in personal services than South Asians while the latter are more involved in insurance and travel agencies or miscellaneous services. Japanese business activity is relatively high in automotive dealerships and instructional services (often Karate schools). The concentration of Blacks in the entertainment area (actors, musicians, etc.) and of Chinese in contracting and in printing are also noteable. This information is presented in greater detail in Table 4.

In addition to the cautions discussed above about interpreting such lists as representative, two other matters should be raised which have implications for visible minority enterprise. The first has to do with viability, the second with size.

It is to be expected that a certain proportion of all businesses will fail over time. For example, of 44 original random selections from the Black Dial Directory of 1976-77, 26 or almost 60% were no longer in operation. However, without a more recent listing it is impossible to know how many new enterprises have started up. Further, since the Chinese, Japanese and South Asian directories were compiled more recently, it is not possible to compare business mortality rates across groups.

TABLE 4. - KINDS OF BUSINESSES LISTED IN SELECTED ETHNIC DIRECTORIES
(PER CENT)

Sector	Directory			
	Chinese	Black Dial	Asian	Japanese*
Professional or Semi-Professional	21	14	3	22
Food Related Retail or Wholesale	32	16	41	9
Non Food Related	12	18	21	9
Services Total (see specifics)	35	52	35	27
Number	(1333)	(501)	(247)	(139)
Service Sector				
Automotive	6.1	4.6	8.1	10.8
Automotive Dealers	4.9	3.8	—	21.6
Brokers	1.9	—	—	—
Contractors	11.9	3.1	—	—
Entertainment	4.5	22.6	9.2	—
Instructional	6.9	4.2	—	21.6
Insurance	4.0	6.1	26.4	—
Investment	1.9	1.9	—	—
Personal	22.5	24.1	—	16.2
Printers	17.8	2.3	8.1	5.4
Photographers	0.4	1.2	—	—
Real Estate	6.8	14.1	—	—
Transportation	2.7	0.8	—	—
Travel	3.2	8.5	24.1	5.4
Other	4.5	2.7	24.1	18.9
Number	(472)	(261)	(87)	(37)

* Figures do not add to 100% as the branches of Japanese commercial enterprises are omitted.

In commenting on size, it should be restated that except for the Japanese listings, none of the directories included manufacturers. Thus our background knowledge of large scale enterprises is lacking. Use of informants was helpful in adjusting this situation for the sample but it seems that large Black businesses are under reported more because so few exist than because access to them was not available. In contrast, there seems to be a greater concentration of South Asian manufacturers or distributors than among the other groups. Large Japanese commercial enterprises do indeed exist but because so many of them are branch locations, many had to be excluded. The largest Chinese enterprises tend to be in tourist oriented concerns.

As discussed on page 43, non visible minority run businesses were treated as control selections with the type of enterprise corresponding to type of visible minority enterprise. The non visible minority proprietors selected were of British, Eastern, Western and Southern European origin. Half were foreign born and half Canadian born.

C. Fieldwork

Fieldwork began on February 5, 1982 and was largely completed by the end of that month (several additional interviews with Black entrepreneurs were attempted in early March). A total of 61 interviews were completed with about equal numbers for each business group. More detailed field results are presented in Table 5.

The best response rates were obtained from Chinese and South Asian businesses. Fewer selections had to be released to meet quota requirements and there were fewer direct refusals. Many of the Japanese business selections proved to be either branch locations or one man shops making them ineligible. This largely accounts for the greater efforts required to achieve 12 completions for this sector. In general, attrition was high despite efforts to screen selections before releasing them into the field. Direct refusals were few except among non visible minority businesses. Scheduling problems were especially notable for Black businesses. It was often difficult to arrange an appointment within the time frame of fieldwork and appointments sometimes had to be remade.

TABLE 5. - SAMPLE SELECTIONS AND FIELD RESULTS

	BUSINESSES					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
No. of selections Prepared	28	19	26	32	29	134
No. of selections Released	28	19	19	28	26	120
Completions	11	12	14	12	12	61
Refusals	3	1	0	3	6	13
Attrition						
Timing	10	4	3	4	6	27
Ineligible	1	1	1	7	1	11
Wrong group	2	0	0	1	1	4
Other	1	1	1	1	0	4

This attrition could have been partly reduced by a longer field period. More selections would also have helped. However, available sources were, by and large, exhausted and it was extremely difficult to access Black entrepreneurs. The interviewer who dealt with most of the Black businesspeople often felt that timing problems were being used as an excuse for non participation. Despite our concerted efforts only 11 interviews were obtained for this group.

Letters which explained the purpose and sponsorship of the study were sent to potential respondents in the Chinese and control groups in the early stages of fieldwork. This was in response to interviewer suggestions that this would improve participation in the study. The high attrition rate in the control group suggests this was not particularly helpful. It may be that non visible minority businesspeople did not regard the study as meaningful to their own concerns. In the opinion of the interviewer assigned to cover Chinese businesses, the letters were probably not necessary. Certainly the absence of introductory letters to South Asian businesses does not seem to have lessened participation in the survey. In most cases, the interviewers' abilities to explain the study over the telephone or in person were sufficient.

Minor changes to the questionnaire were made in response to the early field results. The length of the interviews was usually far in excess of the thirty minutes indicated by limited pre-testing. In part, this was related to respondents' desires to elaborate on their answers, including volunteered information on matters they perceived relevant to the topics covered. Since it was not desirable to lose any of this potentially rich contextual data, it was decided to cut a few minor closed ended questions that were covered elsewhere in the schedule but to retain all the open ended questions. This helped bring the questionnaire length closer in line with respondents' expectations and budgetary constraints without sacrificing any significant data. These deletions are detailed in Appendix A. The average time of the interview was still 43 minutes. For any major study, full scale pre-testing would be a critical concern.

A second modification to the questionnaire concerned the wording of items for the control group. In order to make certain questions salient for non visible minority businessmen, the term "ethnic" was substituted for the term "racial". Much hostility was aroused by questions on ethnic organizations of businessmen or merchants. These questions were dropped to avoid antagonizing respondents and to ensure completion of the schedule.

In general, conducting interviews with visible minority entrepreneurs on a potentially sensitive subject proved to be a feasible undertaking. There was no attempt to match the racial background of interviewers and respondents. The interviewers experienced few problems in the field and felt the questions were answered in an open and sincere manner. During routine telephone validations of selected interviews, respondents often made very complimentary comments about the interview experience. About one quarter of those interviewed requested a copy of the results of the survey. In contrast, non visible minority entrepreneurs were less interested in the study and somewhat less cooperative.

These matters raise the question of the utility of a control group for a large scale study on the topic. On the one hand, data on their business experiences and problems are critical to identify the special concerns of non white entrepreneurs. On the other hand, the apparent non saliency of the topic may make such data difficult to obtain.

In closing, it is interesting to mention some of the overall impressions the interviewers had. Differences between immigrants and Canadian born; between those who were well educated and from wealthy backgrounds and those who were not; and between those situated within ethnic commercial concentrations and those who were not seemed particularly striking for reports of real or perceived disadvantage. Overall, they came away feeling the racial element was not a serious component hindering business operation.

This chapter has focused on the methodology of the study in order to present additional background information on the nature of visible minority enterprise and to address the feasibility of a large scale study of the phenomena. Let us now turn to a consideration of the findings.

CHAPTER THREE: RESULTS FROM THE SURVEY OF VISIBLE MINORITY BUSINESSES

A. The Businesses:

The 61 businesses in the sample are distributed across several sectors. Twenty-seven are service oriented; 16 are retail operations; there are 8 manufacturing firms, 6 wholesale enterprises and 4 import/export firms. In many cases, the businesses are involved in more than one function - manufacturers also wholesale and retail; importers also retail their goods, etc. The products dealt with are quite varied but there is a concentration on apparel (or fabrics) and food stuffs. In manufacturing and wholesale outlets, 6 out of 14 enterprises deal with clothing and 15 out of 20 businesses in importing, retailing and services are food related. Other products include furniture, plastics, chemicals, metal fixtures and parts, jewelry, hardware, gift and craft items. Personal services (hairdressing, dry cleaning etc.) are very common in the service sector (8 out of 27 firms). Printing and publishing operations are also common. Table 6 shows the commercial distribution of these businesses.

Black owned businesses are concentrated in the service sector. Manufacturing and wholesale concerns number the most South Asian enterprises. Japanese, Chinese and non visible minority run businesses are concentrated in retailing and services. Importing and exporting firms attract only Chinese and Japanese businessmen and a similar association exists between South Asian entrepreneurs and manufacturing or wholesale operations. Both visible and non visible minority run businesses are numerous in retail and service trades. There is no particular preponderance of any group in food related enterprises although South Asian non food related ventures are fewer compared to other groups. Relative to the other entrepreneurs, Blacks are more concentrated in personal services but are not less involved in other service trades.

Over half of these businesses are corporations or limited companies. (35 or 58%), about one quarter are individual proprietorships (14 or 25%)

TABLE 6. - KINDS OF VISIBLE MINORITY BUSINESSES

	Entrepreneurs					
	Blacks	Chinese	South Asian	Japanese	Non Visible Minority	Total
Kind of Business						
Manufacturing	1	1	4	1	1	8
Wholesale	0	0	4	1	1	6
Import/Export	0	2	0	2	0	4
Retail	3	4	3	3	3	16
Services	7	5	3	5	7	27
Total	11	12	14	12	12	61
Manufacturing and Wholesale						
Clothing Related	0	1	4	0	0	5
Other	1	0	4	2	2	9
Total	1	1	8	2	2	14
Importing, Retailing and Services						
Food Related	3	3	4	2	3	15
Other	7	8	2	8	7	32
Total	10	11	6	10	10	47
Services						
Personal	4	1	0	1	2	8
Other	4	4	3	4	4	19
Total	8	5	3	5	6	27

and the remaining twelve are organized as partnerships (17%). This pattern is particularly strong for Black and Japanese owned businesses. Three quarters of the latter and two thirds of the former are organized as corporations. Similarly, 9 South Asian enterprises are corporations, 3 are individual proprietorships and only 2 are partnerships. Partnership organization is most prevalent among Chinese and non visible minority run businesses which number almost as many partnerships as corporations. Individual proprietorships are most common for Chinese entrepreneurs.

Overall, the businesses are well established. The oldest (a Japanese firm) began in 1907 and the modal year of establishment is 1974, some 7 years ago. The non visible minority run businesses show the most even distribution in age with 5 more than 10 years old and 4 less than 5 years old. Chinese businesses tend to be the youngest(5 are less than 5 years old and only 2 are over 10 years old). In contrast, Japanese run businesses are the oldest with two thirds over 10 years old. South Asian and Black owned businesses are usually more than 5 years old. (Details on form of organization and age of businesses are presented in Appendix B).

Business size can be examined along several dimensions - number of employees, seasonal variation in staff, gross business revenue, number of locations and the geographical extent of customers and suppliers. In general, although there is variation along each of these dimensions across the groups under consideration, South Asian owned enterprises tend to be the largest.

With respect to total number of employees, the businesses tend to be small, especially those operated by Chinese and Japanese proprietors. Almost half the businesses have fewer than 6 employees and only 10 or 15 have more than 20 employees. The number of full-time employees is correspondingly small. Less than one tenth of all the businesses have more than 20 full-time staff (2 Black, 1 Chinese and 3 non visible minority owned ventures) and only two of these number more than 100 employees. South Asian and non visible minority run businesses generally have more full-time staff than businesses owned by other groups. Number of part-time employees is also small for all groups. Many Chinese and South Asian run concerns and a number of Japanese and non visible minority businesses have no part-time employees. The great majority of all the businesses have less than 6 part-time staff. Black owned ventures seem to have more part-time personnel than any other group.

Seasonal variation can, of course, greatly affect the number of employees. However, of the businesses surveyed about equal numbers in each group report seasonal variation. There is a slight indication that Japanese run enterprises have more seasonal variation than other businesses.

An examination of gross business revenue shows that the businesses are larger than would seem from the number of employees. For those reporting gross business revenue, the modal figure is between $100,000 and $500,000. One quarter have business incomes of over $1,000,000 and about one quarter report revenues of $75,000 or less. Equal proportions of Black, South Asian and non visible minority run businesses report business income as under $75,000 and fewer Chinese and Japanese enterprises fall in this lower income group. In the modal income category ($100,000 to $500,000) Japanese businesses are most predominant with non visible minority businesses least represented. The category $500,000 to $1,000,000 has the highest concentration of South Asian businesses, followed by non visible minority businesses, with the other groups least represented. Most of the very prosperous ($1,000,000 or more) enterprises are South Asian or non visible minority run. Overall, South Asian businesses report the largest business incomes followed by non visible minority enterprises. Japanese ventures are least profitable. However, there is variation within each group. It seems likely that such variations are as much shaped by the nature of the enterprise as anything else. Manufacturing and wholesale enterprises cluster in the $500,000 or over category while retailing and services fall in the $100,000 to $500,000 bracket.

Table 7 presents the distribution of employee size and gross business revenue for the businesses surveyed.

TABLE 7. - NUMBER OF EMPLOYEES AND GROSS BUSINESS REVENUE OF VISIBLE MINORITY RUN BUSINESSES

	Entrepreneurs					
	Blacks	Chinese*	South Asian	Japanese	Non Visible Minority	Total
Number of Employees						
less than 6	5	7	6	8	5	31
6 to 20	3	4	6	3	4	20
21 or more	3	1	2	1	3	10
Gross Business Income						
$100,000 or less	4	3	4	3	4	18
$100,000 to $500,000	4	4	3	7	2	20
$500,000 to $1M	1	1	3	1	2	8
$1M or more	2	2	4	1	4	13
Total	11	12	14	12	12	61

* (Two in this group refused income question).

Only 11 of the businesses have more than one location or branch. This pattern holds for all groups (although South Asian enterprises tend toward multi-branch operations more than others). The few Chinese, Black and non visible minority run businesses with more than one location are similar in that the location of these branches is evenly divided between the same area and elsewhere in Toronto. The one Japanese business with an additional location has it elsewhere in the city. In contrast, South Asian branches are more geographically disbursed - one third elsewhere in Toronto and two-thirds outside Canada.

Most of the enterprises serve a local clientele. About 40% draw the majority of their customers from the near-by neighbourhood. An additional one third serve customers from throughout the city. Few have a more dispersed clientele. Of all the businesses, only one Japanese run firm has a customer base where the majority of customers are located in several countries. Interestingly, 5 South Asian businesses have the greatest proportion of their customers located throughout Canada. Black and Chinese owned businesses are the most locally or city oriented.

Only slightly more than one third of the businesses use suppliers from outside Canada. South Asian and Chinese enterprises are the most prevalent in this category and Japanese businesses least prevalent. Chinese businesses have the closest ethnic ties, importing primarly from China and Hong Kong while South Asian establishments use suppliers from many different countries including India, Pakistan, Japan, Hong Kong and several European countries. (Details on suppliers, location of clientele and branch locations are presented in Appendix B).

B. The Entrepreneurs:

1. General Background Characteristics:

Most of the businesspeople interviewed are men (55 or 90%). Although most groups of entrepreneurs contained at least one woman, the number of female proprietors is too small to allow gender comparisons. In general, there are no large differences in educational level or previous business experience between the men and the women. Women's reasons for going into business are somewhat different; several mentioned they wanted something to do after family or marital responsibilities changed. Women's businesses are somewhat smaller in size and profitability and they tend not to be involved in more than one venture. Impressionistically, the family connection seems important. Women may be partners with their husbands or carrying on a family business. Participation in business associations is limited.

The oldest entrepreneur was born in 1902 and the youngest in 1955. Most are in their forties or fifties; about one fifth are younger but only three are still in their twenties. They are all, thus, well along in their occupational lives. Comparing groups, Chinese respondents are youngest (average age 38.8 years) and the Japanese entrepreneurs oldest (mean age 54.7 years). Black respondents are next oldest (mean age 48.5 years) while South Asian and non visible minority respondents fall in the middle (mean age 45.9 and 44.9 years respectively).

The majority were born outside Canada. None of the Chinese or South Asian respondents are Canadian born and only 2 of the Black entrepreneurs are native born. In contrast,two thirds of the Japanese sample and one half of the non visible minority sample are Canadian born. Black immigrant respondents were mostly born in the West Indies (1 is US born and 1 is African born). India is the country of birth for four fifths of the South Asian sample and 2 were born in Kenya. Chinese and Japanese immigrants were born in China, Hong Kong or Japan respectively.

A few of the foreign born immigrated to Canada in the 1946-66 period; most have arrived between 1967 and 1975, although in the non visible minority sample, two thirds (or 4 out of 6) of the foreign born immigrated between 1940 and 1959. Immigration in the post 1967 period is more prevalent among Chinese and Japanese respondents whereas 4 Black and 4 South Asian respondents arrived in the early or mid 1960's. The great majority of the foreign born are now Canadian citizens (only 3 West Indians, 1 South Asian and 1 non visible minority respondent do not hold Canadian citizenship). All visible minority entrepreneurs plan to remain in Canada and only one non visible minority respondent reported an intention of moving.

Slightly over half (or 24 out of 44) of the foreign born emigrated from the country of their birth. The coincidence of country of birth and last country of residence is especially high for non visible minority (5 out of 6 cases), Japanese (3 out of 4 cases) and Black respondents (6 out of 9 cases). One quarter of the Chinese immigrants arrived from their country of birth while an additional 7 came to Canada via Hong Kong. South Asian respondents emigrated from several countries including the United Kingdom (5 out of 14 cases), three African nations and the United States. Only 6 emigrated from their country of birth.

Self reported ethnicity or cultural ancestry for all groups is generally what one would expect. That is, all Chinese, Japanese and South Asian respondents reported Chinese, Japanese or South Asian descent. Black respondents reported West Indian or African (and in one case American) origins. Non visible minority respondents report British, Eastern Europen, Western European and Southern European ancestries.

More details on the background characteristics of the sample are presented in Appendix C.

2. Educational Achievement:

There are notable differences in educational level among the respondents. Overall, Black and Chinese respondents tend to have lower educational achievement than the other groups and South Asian respondents are clearly better educated. Japanese and non visible minority respondents fall in the middle.

Half of the Black sample have not gone beyond the high school level and only 1 has completed university. Two thirds of the Chinese respondents have not gone beyond secondary school although 2 have completed professional degrees after university. Japanese and non visible minority respondents are similar in that about 42% (or 5 out of 12) have not gone beyond high school and one third have some post secondary education. They differ in that more Japanese respondents have completed university or beyond. Half the South Asian sample have completed university or beyond, including 3 respondents with graduate or professional degrees. One fifth have not progressed beyond high school.

Most Black and Chinese respondents had the bulk of their education outside Canada (11 out of 12 for Chinese and 8 out of 11 for Blacks). Al the South Asian respondents had been educated outside the country and half of the Japanese sample had the bulk of their schooling in another country (including two cases where the respondent was Canadian born). One third of the non visible minority sample were educated outside Canada. Details on educational level are presented in Appendix C.

3. Previous Business Experience:

Most have received the bulk of their business experience in Canada. This is not surprising for the non visible minority and Japanese samples where the majority are Canadian born. But it is interesting that only 3 Black, 3 Chinese and 4 South Asian respondents consider they gained their business experience outside Canada. This may be partly because they have had to "learn the ropes" of doing business in Canada and now consider this relearning the most salient for current ventures. One South Asian proprietor commented that he had to learn his trade all over again in order to run a Canadian business similar to one he had in Africa.

The prevalence of Canadian experience is also related to the length of time spent in Canada and previous occupational history. As we have seen, most of the immigrant entrepreneurs have been in Canada for some time. Of the 18 who had owned other businesses in the past, 11 operated them in Canada. Only the South Asian entrepreneurs had not had their previous businesses in this country. Similarly, 50 (or 83%) of the respondents held their last full time job (before going into present business) in Canada.

Earlier businesses and previous occupations provide experience and training which can be used in current business ventures. In situations where there is a traditional family business, young entrepreneurs are in a position to glean business related experience. This can be a matter of familiarity with a product line or a general knowledge of a particular commercial sector. There is some variation among groups with respect to experience related to current enterprises.

The Chinese sample contains the highest proportion having such experience (75% or 9 cases). The Japanese and non visible minority groups have the next highest proportion (66%) followed by the South Asian sample (8 out of 14 or 57%). The Black sample contains the lowest proportions of those with business experience related to their current ventures (54%),

Current businesses are first ventures into entrepreneurship for most. Of the 18 who had owned other businesses, 5 are Japanese, 4 are non visible minority, 3 are Chinese, 3 are South Asian and 3 are Blacks. Usually, current and former businesses are in related fields. Although the product may differ, manufacturers and importers continue to manufacture and import; restauranteurs continue in the food industry and shopkeepers continue to be small proprietors.

It is interesting that half the entrepreneurs (9 out of 18) who had started businesses in the past had a salaried job immediately prior to going into their current ventures. As we have seen, most respondents have occupational histories of salaried work only. Comparsions of last full time occupation by current business type and by visible minority group are presented in Table 8.

TABLE 8. - CURRENT BUSINESS TYPE AND VISIBLE MINORITY GROUP BY LAST FULL TIME OCCUPATION

	Last Full Time Occupation						
	Professional or Managerial	Clerical or Sales	Shopkeepers	Skills Crafts or Labour	Semi-Skilled or Unskilled Labour	Student	Total
Respondents' Current Business Sector							
Manufacturing	3	0	0	2	1	2	8
Wholesale	4	1	0	1	0	0	6
Import/Export	0	2	1	0	0	1	4
Retail	1	4	3	6	3	0	17
Services	4	4	2	8	7	1	26
Total	12	11	6	17	11	4	61
Visible Minority Group							
Black	1	3	1	5	1	0	11
Chinese	2	0	2	3	3	2	12
South Asian	7	1	1	4	1	0	14
Japanese	1	3	0	4	4	0	12
Non Visible Minority	1	4	2	1	2	2	12
Total	12	11	6	17	11	4	61

Many respondents are from skilled crafts and labouring occupations (machine operators, mechanics, contractors, etc.). Compared with other groups there is underrepresentation of non visible minority respondents and over-representation of Black respondents in this category. Businessmen with these occupational backgrounds have concentrated in enterprises in the retail and service sectors. One fifth of the overall sample are from professional-managerial occupations. Here the high proportion of South Asian respondents is notable. Larger enterprises in manufacturing and wholesale areas are characteristic ventures for those with this occupational background (although some concentration in services is also apparent).

Equal numbers (11 in each) have occupational backgrounds in clerical or sales work, in semi-skilled or unskilled occupations (porters, waiters, etc.). Those with such backgrounds are fairly equally distributed across visible minority groups. Enterprise in retail or service trades are common ventures for those in these two occupational categories.

There are variations within and among groups with respect to the number of full time jobs before going into the present business. Chinese respondents have the shortest occupational histories. Seven report 1 full time job or less and 5 have had only two full time jobs. It should be remembered that these respondents are also the youngest group interviewed. South Asian respondents have the most extensive occupational histories. Half report 4 or more full time jobs including one respondent with 10 previous jobs. There is much more variation among Black, Japanese and non visible minority respondents.

Moving from a consideration of objective features related to past business experience, we now turn to the subjective aspect. Respondents ranked the importance of selected background skills and experiences with respect to their ulility for the conduct of their present businesses. (Details are presented in

Appendix C).

Over half the South Asian, Black and Japanese respondents felt living in countries other than Canada was very important for conducting their present businesses while only 2 Chinese respondents felt this way. 5 Japanese respondents including one Canadian born felt foreign residence was very important and about half the non visible minority immigrants felt it was very important.

Among those reporting educational training to be very important, the greatest proportions are Black, South Asian or Japanese. Chinese respondents are least represented in this category (15% opposed to 22%). This may reflect the generally lower educational status of the Chinese sample. Since they have not had intensive formal educational training, it is not important to their businesses. Indeed, two thirds of the Chinese respondents felt it was "not at all important". However, Blacks also have lower educational levels yet formal training is important for them.

South Asian entrepreneurs have by far the greatest proportions feeling previous management skills are very important for current business operation (71%). A preponderance of Black and non visible minority respondents also feel this way (60% and 42% respectively).Chinese and Japanese respondents are least represented in this category. Since so many of the South Asians interviewed have managerial or administrative backgrounds, the saliency of management skills for them is not surprising. But the slight contrast between Chinese and Japanese on the one hand and Black and non visible minority respondents on the other is interesting as equally few have previous administrative experience.

Of all the items, previous experience in their line of business was ranked "very important" by the greatest number of respondents. Previous experience seems especially salient for Japanese and Black entrepreneurs (8 out of 11 and 7 out of 9 respectively). These proportions are almost identical to those actually having experience related to their current businesses. It is interesting that such experience is least salient for South Asian respondents. Slightly over half ranked this item as "not at all important". It may be that this is related to the greater stress on management skills and formal education.

There seems to be a contrast between visible and non visible minority respondents with respect to the importance of business and social contacts gained in previous lines of work. Fewer of the latter see it as very important. Among the former such contacts are not perceived as overwhelmingly important except for the Chinese and Blacks - over half these felt such contacts were "very important".

The least important background item proves to be social and business contacts gained from one's own ethnic community. It is, perhaps, not surprising that four fifths of the non visible minority sample felt such contacts were "not at all important". More South Asian and Japanese respondents felt such contacts were "not at all important" than other non visible minority groups. At the same time, Black, Chinese and South Asian respondents have at least one third who feel ethnic ties are very important. The ethnic connection seems a very varied affair as will be discussed more fully in a section to follow.

To summarize, previous business experiences and their perceived importance for present entrepreneurs are quite varied. Compared to other groups, South Asian businessmen have more extensive occupational histories, more experience related to current ventures, and perceive management expertise as especially salient. Although both Black and Chinese respondents tend to have less related business experience, they differ in what they perceive as important to current enterprise. Chinese respondents tend to focus on social and business contacts gained through other lines of work and previous job experience. Black respondents emphasize education, management skills and previous experience. Japanese and non visible minority respondents are similar in the extent of previous business experience, in perceptions of the saliency of job experience and the non saliency of ethnic community contacts.

4. Getting Started:

Those surveyed did not go into their current businesses particularly quickly. Only 22% spent less than three years at their previous jobs and 51% had been more than 5 years at their last occupations (including 10 who had been salaried for more than 10 years). Japanese and Black respondents tend to have been at former jobs for longer periods of time while South Asians were somewhat more quick to move into current ventures (after between 3 to 5 years at former occupations).

Only one third took over already existing businesses while the remaining 46 established new ventures. About equal number of non visible minority and Asian businessmen came into established businesses while only 1 Black respondent did so. Over three quarters of all respondents used their own personal sources of money (savings, sale of property) to raise capital to get started. This source is somewhat less prevalent among Japanese and non visible minority respondents. Loans from banks or similar financial institutions were the second most cited source of capital (38%). Borrowing from banks was slightly more common among South Asian and Chinese respondents than others. Nineteen respondents reported borrowing from family or friends

(32%). This was more so for Chinese and Japanese respondents than others. Other sources of start up capital were less frequently cited. These data are presented in Table 9. (Numbers and percentages do not add to either 61 or 100 as respondents reported all sources used).

TABLE 9. - SOURCES OF CAPITAL FOR STARTING PRESENT BUSINESS ENTERPRISE

	Entrepreneurs					
	Blacks	Chinese	South Asian	Japanese	Non Visible Minority	Total
Source						
Personal Sources	11	10	12	7	7	47(77%)
Bank Loan	3	5	8	4	4	24(38%)
Loan from Family/ Friends	3	5	3	5	3	19(32%)
Capital from Other Business	2	0	2	2	1	7(8%)
Loan from Ethnic Assoc.	0	1	0	1	1	3(5%)
Other*	1	0	0	0	2	3(5%)

* Other includes government grants, venture capital investors and other sources n.e.s.

Reasons for going into one's own business can be divided into push and pull factors. Pull factors are related to the attractiveness of independent enterprise and include such things as wanting to be one's own boss, a desire to exploit a business idea or product and wanting to be financially successful. Push factors are related to the unattractiveness of alternative occupational choices. They include undesirable conditions in previous jobs (poor pay, lack of chance for advancement) as well as lack of occupational alternatives (including lack of recognition of skills or qualifications or being overqualified for previous work).

As Table 10 shows, the pull factors are more salient for the sample than the push factors. Desire for financial success and to be one's own boss were important for very high proportions across all groups. South Asian, Japanese and non visible minority groups have high proportions feeling that exploiting a business idea was important.

Some of the push factors are, however, more critical for certain groups than others. Quite large numbers of Japanese and South Asian respondents feel insufficient chance for advancement in previous jobs was important in the decision to go into an independent business. Close to 70% in both groups, compared to 46% in the non visible minority group, feel this way. Half the Chinese respondents feel poor pay in previous jobs was an important factor while only 36% of non visible minority respondents do. Black entrepreneurs have sizeable numbers who feel all the push factors were important.

TABLE 10. - REASONS FOR GOING INTO BUSINESS

	Entrepreneurs*					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Pull Factors						
Own boss	8	10	11	10	10	49(82%)
Exploit business idea	4	6	11	8	10	39(67%)
Financial success	10	10	12	10	10	53(88%)
Family tradition	2	4	5	1	5	17(40%)
Push Factors						
Poor pay	5	5	5	4	4	23(43%)
Lack of advancement	5	3	9	7	5	29(56%)
Qualifications not recognized	5	3	3	0	3	14(29%)
Over qualified	4	1	3	0	2	10(21%)
No suitable openings	3	1	2	1	2	9(18%)
Total	11	12	14	12	12	61

* Includes those reporting reasons to be "very important" or "somewhat" important".

About half the respondents described other reasons for going into their current businesses. Most are of a pull nature. In each group a desire for independence was stressed. "I didn't want to take orders from anybody". "I wanted to set my own hours and be flexible". Some Chinese, Japanese and South Asian entrepreneurs felt there was a market either in their ethnic community or for ethnic speciality products although this was not an especially common response. Also, several immigrant entrepreneurs mentioned a desire to develop a business specifically in Canada. "I wanted to see if my business ideas would work in a Canadian setting". In a few cases, an opportunity arose in a family business and respondents took advantage of the situation to become more involved. None mentioned being pushed into independent enterprise because they were discriminated against in the labour force. A few reported they went into business because they could not find suitable jobs elsewhere.

5. Involvement in the Business:

Regardless of the actual organization of their businesses, the great majority describe themselves as owners (73%)rather than partners or shareholders (19% and 8% respectively). All are active within the enterprise, most often as president or chairman (59%) or manager (33%). In only five cases was the position different (vice-president, secretary-treasurer, publisher, etc.).

It has already been noted that few of the businesses have more than one location. Also, less than one quarter of the entrepreneurs have direct participation, as owners, partners or board members in other businesses. However, there are some interesting variations across groups in this respect. South Asian respondents are more involved in additional businesses than any other group and Chinese entrepreneurs least involved. Of the 14 participating in other businesses, 5 are South Asian, 3 are Black, 3 are non visible minority, 2 are Japanese and only 1 is Chinese.

For Black respondents, this participation is always in another Toronto based company; two in the service trade and one a financial organization. The one Chinese entrepreneur with another business is a partner in a Toronto service trade.

One Japanese businessman is a board member of a financial firm located elsewhere in Ontario; another is a board member in a wholesale firm located in Japan. For non visible minority businessmen, involvement is always in other Toronto based enterprises; one is a partner in a financial enterprise, one is a director of a retail outlet and another is a board member for a service industry. Three of the five South Asian entrepreneurs have participation in more than one additional firm. Most of these businesses are in the city, one is elsewhere in Ontario and one is based in India. Owner or partner status is more common than that of board member.

6. The Ethnic Connection:

Ethnic community as a resource for successful business is a theme that was discussed in Chapter One. We now address the issue for the entrepreneurs in the sample. In general, it seems that cultural or ethnic ties are of less significance for current business operation that might have been expected. This seems especially true for non visible minority, Japanese and South Asian respondents. The ethnic connection seems most salient for the Chinese sample.

Seven of the Black run businesses offer ethnic goods and services. Only 4 of these have the majority of their customers from the same ethnic group as themselves and only three are located in areas of West Indian commercial concentration. All eleven report that the majority of their suppliers are from a variety of ethnic groups. Obviously, English is the only language of business in these ventures. For Chinese owned businesses there seems to be a connection between location and customer/supplier bases. Five of the businesses are in Chinatown (two providing non ethnic services, three providing ethnic specialities). In all of these businesses, the majority of customers and suppliers are Chinese. Only 1 of the 7 businesses located outside Chinatown has a majority of Chinese customers. The others draw suppliers and customers from a variety of ethnic groups. Despite this division, Chinese respondents do business in both English and Chinese.

Six of the South Asian businesses offer ethnic goods and services and 4 of these draw the majority of suppliers and customers from the East Indian community. As three of these are located in areas of South Asian commercial concentration, location again seems important. Of the 8 businesses not catering to the ethnic market, only 1 reports a majority South Asian clientele. All other draw customers and suppliers from a variety of ethnic groups. Most of these entrepreneurs use English only (or English and French) as the business language. Of the 6 who conduct their businesses in English and Hindi, all but one specialize in ethnic goods or services.

Although the same number of Chinese and Japanese businesses provide ethnic goods or services, only 1 Japanese run firm draws the bulk of its customers and suppliers from the Japanese population. Indeed, only two businesses in total report majority Japanese customers or suppliers.

There is no geographical concentration of Japanese owned businesses in Toronto which may be a factor in this respect. Despite the lack of an ethnic connection, all but two Japanese respondents report Japanese and English as business languages.

It is not suprising that only one non visible minority business reports the majority of customers from the same ethnic group. None are located in ethnic commercial concentrations and only 2 offer specialty goods or services. It is interesting that five respondents in this group report bilingualism at work, usually a combination of English and Mother Tongue.

The ethnic connection for business start up seems somewhat stronger. Of the 15 entrepreneurs who bought into already existing enterprises, all but one (a Japanese businessman) took over from a member of the same ethnic or racial group. However, few who own their own business premises purchased that property from someone in their own ethnic group (2 Chinese, 1 Japanese and 2 non visible minority respondents did so). And, for those renting their business premises, only four Chinese and 1 South Asian businessmen have Chinese or South Asian landlords.

Family business connections can be interpreted as part of the ethnic connection and for many, this family link seems prevalent. As has been noted already, loans from family and friends are an important source of start up capital and family businesses occasionally provided business experience for current enterprise. Nine out of the 15 entrepreneurs who went into already existing businesses negotiated with parents, siblings or spouses. In every group, large numbers employ family or relatives in their businesses. This is slightly more common among South Asian, Black and non visible minority proprietors than among the Chinese or Japanese. However, numerous family employees are uncommon; most have only 1 in their employ and only 8 have more than 3 family members working for them.

Most non visible minority respondents do not participate in ethnic associations of businessmen or merchants (67% report non participation). Just under half of the South Asian sample report active participation but only one third of the Chinese and Japanese samples and only 1 Black respondent do. Black non participation may be partly explained by the non existence of such organizations. Three Black respondents commented "there aren't any". For respondents generally, the most common reasons for non participation are lack of time or the non utility of such organizations for their businesses. Among Asian respondents there is a slight suggestion that ethnic business organizations might directly hamper business. A Japanese merchant commented he was afraid open membership in such a group might damage the trust his non Japanese customers had in him. A few Chinese and South Asian respondents feel ethnic business organizations are non productive or biased towards one sector of the community at the expense of others.

Those who did participate in ethnic business associations stressed their social value commenting this was more important than any direct application for business operation. Most, however, did use them to get information about the climate for business and a few Chinese businessmen also used them to get more customers or for information on specific matters. (For details on this participation, see Appendix C.)

As Table 11 shows, businesses oriented to neither ethnic products nor an ethnic clientele are the most prevalent in the sample. This may partly explain the overall weakness of the ethnic connection. However, since half of the visible minority businesses surveyed do have at least some connection to the ethnic market, this weakness seems notable.

TABLE 11. - VISIBLE MINORITY BUSINESSES BY KIND OF ETHNIC ENTERPRISE

	Entrepreneurs				
	Black	Chinese	South Asian	Japanese	Total
Type of Enterprise					
Both ethnic goods and clientele	4	3	4	1	12
Ethnic goods only	3	1	3	3	10
Ethnic clientele only	0	3	0	1	4
Neither ethnic goods nor clientele	4	5	7	7	23
Total	11	12	14	12	49

C. Business Problems:

A variety of closed and open ended questions elicited information about business problems and the effect of the racial element on these problems. Results from each area of investigation are detailed below.

1. Financial Problems:

Only 10 respondents had never applied to a bank or similar financial institution for a business loan. All but three (2 Japanese and 1 non visible minority entrepreneurs who indicated they got financing elsewhere) indicated this was because they have not needed financing. While these few may be economically self-sufficient, the vast majority in every group had made loan applications. Almost all were successful in receiving the needed financing (94% or 48 out of 51). This suggests that this access to commercial capital is not a problem for those interviewed.

Rather, the problems are located in the process of obtaining that capital. As Table 12 shows, the experiences of visible minority entrepreneurs in getting financing are in great contrast to those reported by non visible minority respondents. None of the latter felt their applications had been subjected to any special or inequitable treatment. In comparison, 27% (or 10 out of 37) visible minority respondents felt their applications were scrutinized more closely; 29% (or 11 out of 37) felt they were required to provide more collateral than someone from a different ethnic group for a similar venture. Smaller proportions also felt they received a smaller amount of financing (8 cases) or that a higher interest rate was charged (3 cases).

TABLE 12. - EXPERIENCES GETTING BANK FINANCING FOR BUSINESS PURPOSES

	Entrepreneurs				
	Black	Chinese	South Asian	Japanese	Non Visible Minority
Perceived Experience					
Closer scrutiny of application	4	3	2	1	0
Less financing given	4	4	0	0	0
More collateral required	6	5	0	0	0
Higher interest rate charged	1	2	0	0	0
Total	9	9	11	9	10

It is also apparent that Black and Chinese businessmen perceive a greater financial disadvantage than South Asian or Japanese entrepreneurs.

Volunteered comments are also in line with this distinction. A Japanese merchant said he thought he would have gotten funding if he had applied. A South Asian respondent commented he had always had a good response from bankers because he had good references from his enterprises in other countries and that while the application was more carefully screened, it was not racist.

A contrast between visible and non visible minority respondents is also apparent in the responses to a question dealing with occupational stereotyping: "In your experience with financing, do you think it is more difficult to get financing for a business in a line that is not traditionally associated with your ethnic group"? Although few in any group (11 out of 61) felt stereotyping affected financing, of those giving positive answers over 70% were visible minority businessmen. Slightly fewer Japanese respondents felt this way than Blacks, Chinese or South Asians.

In general, most respondents felt that difficulties getting financing was a problem common to all businesses rather than one related to racial discrimination or one not relevant to their own experience. Seventy per cent indicated it was a problem common to all; 15% felt it was not at all a problem and 10% felt it was related to racial discrimination (the remainder did not know). None of the Chinese or Japanese respondents report a racial component for this item. Only 1 South Asian, 2 Black and 3 non visible minority respondents do so. The volunteered comments of non visible minority respondents are especially strong in their denial of any racial or ethnic element in financing problems. "Its all a matter of your collateral and your credit rating" - "Its the economy, not discrimination;

banks can't afford the risk of unestablished people trying to break into the market" - "Its not related to discrimination but to small business as opposed to big business".

2. Problems with Regulations:

Few of those interviewed reported problems with provincial or municipal regulations such as licensing, fire, safety or health standards, police or other inspections or tax assessments. While inability to get or keep a license or failure to meet other regulations may be significant for those who have been unsuccessful in starting an enterprise, those interviewed appear to handle regulations without particular difficulties. This is apparent in Table 13. For those few reporting problems, their descriptions of what happened suggest that matters were not especially serious.

TABLE 13. - THOSE REPORTING PROBLEMS WITH BUSINESS REGULATIONS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Type of Regulation						
Fire and Safety	1	0	0	0	0	2
Health	0	2	0	0	0	2
Business License	1	0	0	0	1	2
Liquor License	0	0	2	0	1	3
Police Inspections	0	0	0	0	1	1
Tax Assessments	1	5	0	2	0	7
Total	11	12	14	12	12	61

In both cases of problems with business licences (each related to fire and safety standards) the problem was one of delay and unnecessary changes to original plans. The Black respondent commented the "letter of the law" was "emphasized too rigidly" while the non visible minority respondent commented: "We did everything they said to meet the standards; they came to inspect again and listed 20 infractions that were not noted before. I have no proof but I think they were looking for a pay off". Both businesses were subsequently approved.

Two Chinese respondents felt there were continued "hassles" for food related businesses in Chinatown from the Department of Health with respect to the amount and location of garbage. One was particularly bitter about having to pay for private garbage collectors and felt the city should provide this service (for additional pick ups). Three restauranteurs (2 South Asians and 1 non visible minority) had to wait for a long time for a liquor license and had to apply more than once. All indicated this was common at the time and 1 South Asian respondent specifically commented the delay was not a matter of discrimination.

The most common complaint about tax assessments was that they were too high or had increased too much. Three Chinese businessmen explained no one ever followed up on their formal complaints. "(The amount)...is too high but we pay - we inquired about it (the method of assessment) but no one ever came to see what the matter was. Since we have the money we haven't bothered more about it". However, another Chinese businessman challenged his assessment and was successful in having his business reassessed.

Problems with regulations appear minor and infrequent. They may have more to do with the type of business and the general bureaucracy of licensing bodies than with the minority status of entrepreneurs. Of those answering the question; "Do you think these things would have happened to any business under the circumstances or that they happened because you are a member of a particular ethnic group?" Only 2 out of 14 felt minority status was central. As mentioned above, these respondents situate the problem as one common to Chinatown.

3. Government Programs and Assistance:

For the sample as a whole, both familiarity with and use of government programs and services providing assistance to business are low. Thirty-five per cent report they are "not at all familiar" with such programs and only 15% are "very familiar". Seventeen have used some form of government assistance, but the majority (44 or 72%)have not. Table 14 suggests that although non visible minority entrepreneurs have greater knowledge of various programs, they do not use them to much greater extent than visible minority businesspeople.

TABLE 14. - FAMILIARITY WITH AND USE OF GOVERNMENT PROGRAMS AND SERVICES FOR BUSINESS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Familiarity						
familiar*	7	4	11	6	11	39
not familiar	4	8	3	6	1	22
Use						
have used	3	1	7	3	3	17
have not used	8	11	7	9	9	44
Total	11	12	14	12	12	61

* familiar includes those "very familiar" and "somewhat familiar"

Differences among the visible minority groups are also suggested. South Asians have the greatest familiarity with and use of government programs while Chinese respondents are least knowledgeable and have used such programs least. Black and Japanese samples fall somewhere in the middle.

For those who have made use of government programs 59% (or 10 cases) have received federal assistance with about 18% each using provincial or both types of government aid. The types of assistance received, in descending order of occurrence, include Manpower programs which pay a portion of student or apprentice salaries (6); enterprise development loans (5); small business loans (3) and Manpower training programs for employees or employers (2). There is no association between visible minority group and type of assistance although South Asian and Japanese respondents have made more use of enterprise development loans than others. (For details, see Appendix D). In general, the assistance is perceived as useful although several made comments about the high turn over of trainees once they had finished their training.*

Most found out about government programs from friends, business acquaintances, their lawyers or bank managers (8 out of 17). Only two appeared to have contacted the government agency directly. One had gotten the information from the media; 6 did not report the source of their information.

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* Other comments suggest that restauranteurs have different opinions about the utility of government assistance with staffing. Some find it difficult to import specially trained help from abroad; others have had success in acquiring employees from their own ethnic background.

All of this suggests that information about government assistance programs is not reaching certain business sectors. While the high numbers of visible minority respondents reporting themselves not at all familiar with government programs may define one such business sector, volunteered comments of non visible minority respondents suggest that lack of access to information about government assistance is more wide spread. The following comments are typical.

> "I have thought of applying so I could open a new branch and expand but the programs are not clear in terms of who qualifies and you have to search to find out because of all that bureaucracy."

> "I am presently trying to obtain government financing but no one in the various departments will make any move on it... It's strange - the government creates programs then no one can explain who qualifies or what requirements are necessary. You get passed on from one department to the next...its frustrating and sad as there are few alternatives other than loan sharks."

4. Business and Professional Associations:

Participation in trade specific business associations is common among the respondents. Ranging from national organizations such as the Canadian Manufacturing Association or the Canadian Restaurant and Hotel Association to local associations of merchants, such institutions attract the attention of over half the sample who are active in any organization. For those whose businesses qualify, participation in the Better Business Bureau is also fairly common although this is less the case for the Chinese entrepreneurs than others. Except for South Asian entrepreneurs, participation in Chambers of Commerce or the Board of Trade is very rare. (It is possible that some of these respondents were referring to East Indian Chambers of Commerce). In total, 57% (or 34 cases) are active in some kind of non ethnic business association with such participation a bit lower among the Chinese sample. (See Table 15).

TABLE 15. - PARTICIPATION IN BUSINESS ORGANIZATIONS

	Participating Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Organizations						
Board of Trade	0	0	2	0	1	3
Chamber of Commerce	0	1	4	1	0	6
Better Business Bureau	3	1	2	3	2	11
Trade Specific Assoc.	6	3	5	7	7	28
Any Organization	6	4	7	10	7	34
Total	11	12	14	12	12	61

All groups use these organizations primarly to get information on specific items related to business (government assistance, legal matters, etc.) (35%); to get information about the general climate for business (32%) or to get more customers (21%). Use of business associations to find employees, to get financing or to find suppliers is not very common. Non visible minority entrepreneurs are the only ones using business associations for employees or financing (1 and 2 cases respectively). Only 2 Japanese and 2 non visible minority respondents use them to find suppliers. Volunteered comments about participation in such organizations tend to be positive. The availability of useful information on products, markets and changes in the industry is mentioned several times as is the opportunity to fraternize and gain information on a social level. Two Black businessmen felt business organizations fought on behalf of business. One explained how the Better Business Bureau had protected him by uncovering fradulent activity by some of his staff at his request.

The advantages offered by participation in business organizations are enjoyed by only slightly more than half the sample. Twenty-eight (or 43%) do not report participation in any of the organizations described above. Reasons for non participation show no evidence of direct discrimination. When asked the main reason for their non participation, 42% reported they felt the organizations were not helpful; none were refused membership or felt they would not be welcome; 48% gave other reasons. These other reasons are interesting.

Twelve felt they had no time or no need of the association. Six felt they did not provide a useful service." It doesn't offer anything for the business I'm involved in"..."there's no reason for my involvement given the time it would take". There is a slight suggestion of lack of information among smaller proprietors. One Chinese and 1 South Asian respondent stated "I am not aware such organizations exist". Statements such as "they didn't get in touch with me and I didn't know how to get ahold of them" or "no one has approached me to join" were made by 2 Chinese, 1 Black and 1 Japanese. Three Chinese proprietors indicated their non participation was because they had their own ethnic business association which was extremely useful. Only one respondent said he would not feel comfortable "in that kind of crowd" and he was from the non visible minority sample.

The relative lack of participation in ethnic business organizations has already been discussed. In comparison, except for Chinese respondents, involvement in non ethnic business organizations is greater and more directly related to the actualities of running a business.

5. Difficulties with Suppliers:

In all groups, the majority felt that difficulties finding suppliers, getting reliable suppliers or negotiating good credit or prices with suppliers were common to all businesses and were not matters of racial discrimination. This is especially the case for South Asian respondents.

As Table 16 on page 91 shows, the next most common response was that such matters were not problems for their businesses. A Chinese merchant commented that lack of suppliers depended on what kind of business one was involved in. In general, Chinese and Japanese respondents found difficulties with suppliers less problematic than others. This would not seem related to any ethnic segregation as two thirds of the latter and one half of the former draw the majority of their suppliers from a variety of ethnic groups.

Those reporting a racial component in difficulties with suppliers are few. One Chinese proprietor felt poor credit was related to discrimination and one Japanese businessman felt his inability to get reliable suppliers was similarly related. "With the business expanding, I need more suppliers... I've contacted three; now they're never in and don't want to speak to me". One South Asian and two Black respondents relate inability to get suppliers to discrimination. It is interesting that there are four instances where non visible minority respondents connect supplier difficulties with ethnic discrimination.

6. Difficulties with Employees:

Difficulties finding enough employees or poor employee relations are matters which most entrepreneurs consider common to all businesses (68% and 53% respectively). Sizable numbers (30% and 40%), especially among Chinese and Japanese respondents consider staffing problems not at all important for their businesses. The racial element is practically non existant in this area. Only 1 South Asian entrepreneur felt difficulties getting enough employees was related to racial discrimination (See Table 16).

As has been seen, it is common for family members to be employed in the businesses surveyed. This may be a partial explanation for good employee relations. The general small number of employees may also make it easier to sustain good relations. There is no detailed information on the ethnicity of all employees but such bonds might also be a factor. However, the comments on a Japanese entrepreneur might also be stressed "I have six different nationalities working here and a Greek partner - the atmosphere is always harmonious".

It's hard to get skilled help" was a comment often made in every group. For those managing ethnic restaurants, this may be a particular problem where there is a need to import especially trained chefs from abroad. One restauranteur commented Manpower regulations made this difficult to do.

7. Difficulties with Lack of Customers and Expanding the Market:

As Table 16 on page 91 indicates, lack of customers is seen as a problem common to all businesses. It should be mentioned that many respondents added "especially in the present bad company". As with other aspects of running a business already discussed, the next largest group felt lack of customers was not a problem for their enterprises. This response is slightly more common for Chinese and Japanese respondents than others. In every group, most felt the Toronto area offered them an expanding market for business (78% or 47 cases). So the poor economy may also be a factor in the high numbers feeling difficulties expanding the market were common to all businesses.

Those reporting a racial element in such matters are few but it is interesting that all groups except the Black sample have at least respondent feeling this way. Volunteered comments suggest the customer/market area is one that is more sensitive to racial concerns than the results in Table 16

TABLE 16. - THE NATURE OF PROBLEMS WITH SUPPLIERS, EMPLOYEES, CUSTOMERS AND THE MARKET

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Suppliers:						
Inability to get						
Common to all	7	7	13	7	8	41(72%)
Related to race	2	0	1	0	3	6(10%)
Not a problem*	2	5	0	5	1	12(20%)
Unreliable						
Common to all	9	6	14	5	9	42(71%)
Related to race	0	0	0	1	1	2(2%)
Not a problem*	2	6	0	6	2	16(27%)
Poor Credit or Prices						
Common to all	9	6	14	4	10	42(71%)
Related to Race	0	1	0	0	0	1(1%)
Not a problem*	2	5	0	8	2	17(28%)
Employees:						
Insufficient number						
Common to all	9	4	13	5	11	41(49%)
Related to Race	0	0	1	0	0	1(1%)
Not a problem*	2	8	0	7	1	19(30%)
Poor Relations						
Common to all	7	3	13	1	9	33(54%)
Related to race	0	0	0	0	1	1(1%)
Not a problem*	4	9	1	11	2	27(45%)
Customers & the Market:						
Lack of customers						
Common to all	9	6	13	4	11	43(71%)
Related to Race	0	0	1	0	1	2(3%)
Not a problem*	2	6	0	8	0	16(26%)
Hard to Expand Market						
Common to all	9	3	13	8	11	44(72%)
Related to Race	0	1	1	1	1	4(7%)
Not a problem*	2	8	0	3	0	13(21%)
Total	11	12	14	12	12	61

* "Not a problem" includes "don't know" responses.

make clear. A non visible minority respondent said he could understand and believe that "ethnic stores" might not be able to get regular customers. Another commented that immigrant businesses were undercutting the market as "they are used to and can live with a lower standard of living than Canadians can". A Chinese merchant outside Chinatown felt it was hard to expand to people "not of Chinese background". Another felt that if he changed the name of his sign to a Canadian name, more non Chinese people would be willing to give him a chance.

8. Other Difficulties Running a Buiness:

Legal matters, inspections and regulations are other aspects which respondents categorized as problems common to all businesses, a matter of racial discrimination, or not salient for their operations. Legal matters were either common to all businesses (60%) (with South Asians all of this opinion) or not a problem (40%)particularly for Japanese (11 out of 12) and Chinese (7 out of 12). In contrast, inspections and regulations were felt to be matters related to race by a relatively large number. While 56% felt such matters were common to all businesses and 36% reported them not at all a problem, 5 (or 8%) reported a racial element. Three Chinese, one Black and one non visible minority respondents are of this opinion. It seems that the area of regulations is a particularly sensitive one for Chinese proprietors.

9. Relations with the Neighbouring Business Community:

In the accounts of difficulties experienced in relationships with other businesses in the areas where their operations are located, negative scenarios are very rare. Seventy-two per cent (or 40 cases) indicated there were no problems at all. Of those identifying problems most situated them in the general competitive context of being in business. Only 7 instances of other sorts of problems are reported. While these other problems are all identified by visible minority respondents, not all of them have a clear racial element.

It is possible that much of this good business relationship has to do with the smaller scale of most of the businesses. As one non visible minority respondent commented "larger businesses are very competitive but the smaller ones tend to co-operate". A Japanese proprietor explained that his particular line of business was very competitive but that "locally, I try not to do this as the other stores in the area help each other out. If I'm short, I go to someone to get help whether he's Japanese or not". A South Asian restauranteur described local business relations with non minority proprietors as "neighbourly ...we borrow from one another all the time". Black and South Asian respondents were often involved in local non ethnic associations of merchants trying to improve the area for business. Such involvement also likely contributes to harmonious relations.

Being in business is synonymous with being competitive so it is not surprising that most of the problems mentioned have to do with competing for a good location, for customers, etc. Such comments come from both those inside and outside areas of ethnic commercial concentration. "There's too much competition in this neighbourhood, especially since it's not a rich area and there are always price wars but it has worked out so far". "There's general competition in Chinatown but its not really a problem. We try to carry imports other companies don't have".

Some other problems mentioned seem to contain a racial element. One Chinese proprietor, outside Chinatown, felt there was a lack of trust - "there is discrimination under the surface. On the top they act friendly, but underneath, they don't trust me". A Black businessman had experienced a dispute over the amount of his rent with his landlord who was from a different ethnic group. Another commented that "racial tension" might exist in day to day relations but that he "didn't worry about it."

The other problems cited have a cultural component. One businessman had communication problems with his business neighbours as they did not speak English or his language. A Chinese proprietor felt other Chinese businessmen discriminated against him because he chose not to run his business in a "traditional way". "I don't follow their buddy system - you help me and I'll help you - so its not very friendly".

10. Relations with the Neighbouring Community:

Relationships with the neighbouring community are also, by and large, harmonious. Sixty per cent reported no problems. For 22%, the question was irrelevant as their businesses were located in industrial or commercial complexes without a nearby residential area. Only 12 reported problems. Few appear of a serious nature. Complaints about parking and occasional petty vandalism (the odd broken window, etc.) were the most common. For parking problems, the solution was to try to pacify residents as far as possible but most did not give solutions as they felt the problem was a continuous, although, small irritation. For vandalism problems, all accepted it as one of the routine occurrences of running a store. Reports were made to the police in a few cases without incident or result. Others preferred not to call in the police.

Two Black businessmen did however report problems of a racial nature. One felt he was not accepted because of his colour. The other had tried to start a drop-in centre and "200 whites came to a meeting to say I couldn't do it". This petition was successful so the matter was considered

solved. This latter account may not strictly fit into the business milieu but does reflect on community relations generally. There were no reports of a more serious nature and no mentions of police harrassment.

CHAPTER FOUR: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This concluding chapter summarizes the major points from the analysis of survey results. It is worth repeating that these findings are not generalizable beyond the experiences and opinions of the businesspeople interviewed. Rather, they suggest possible trends that only further research can confirm or deny. In this respect, the section discussing the racial element in visible minority business should be read as identifying possible problem areas and not as revealing any massive incidence of racism.

A. Summary of Findings:

The businesses surveyed are well established. They are distributed across several sectors including, in descending order of frequency: service establishments, retail outlets, manufacturing firms, wholesale outlets and importing/exporting concerns. Number of employees is relatively small; most enterprises have less than 20 full and part-time staff combined. Modal gross business income is between $100,000 and $500,000 with some businesses grossing less than $75,000 and some grossing $1M or more. Few enterprises have more than one location and most serve a local or city wide clientele. About one half of the businesses have some ethnic connection in that they either provide goods and services or serve a predominantly ethnic clientele. The others are operating in the open market.

The respondents are primarly male and tend to be in early middle age. Most are foreign born. Educational level varies widely. Most have received the bulk of their business experience in Canada. For the majority, present business is the first venture into entrepreneurship although many have related business experience from former occupations. Motivations for going into business may suggest an "entrepreneurial mentality". Desires to be one's own boss, to exploit a business idea and to be financially successful are prevalent although a few indicate that unattractive characteristics of their former work situations also played a part in the decision to move into independent business. Reliance on personal resources for start up capital is common although loans from family and friends and from banks are also often mentioned. Both familiarity with and use of government programs providing assistance to business are low. There is some suggestion that information about such programs is not reaching certain business sectors. Participation in business and professional associations, especially trade specific organizations, is common and is used primarily to obtain information. Participation in ethnic associations of businessmen is less common.

Access to commercial capital does not seem to be an especially serious problem although obtaining business loans from financial institutions is perceived inequitous by some visible minority entrepreneurs. Problems with business regulations appear minor and infrequent and may have more to do with the type of the business and the structure of licensing agencies than with anything else. Most find that problems with financing, suppliers, employees, customers, expanding the market, legal matters and regulations are common to all businesses (rather than related to race). Relations with neighbouring businesses and the community are generally harmonious.

There are few differences between visible and non visible minority respondents except with respect to the ethnic connection of customers/ suppliers and perceived difficulties obtaining financing from financial institutions which are greater for the former.

Comparisons across visible minority samples suggest that the South Asian respondents are better positioned to do well in business by virtue of education, previous business experience, access to capital and information, and the scope of their business involvements. However, the kinds of businesses surveyed may largely account for this distinction. The South Asian shopkeepers interviewed have more in common with shopkeepers in other samples than with the South Asian manufacturers and wholesalers who were interviewed.

Few suggestions for improving the business operations of visible minority entrepreneurs are obvious from this exploratory study. Participation in business and professional organizations outsice the ethnic community appears to give access to useful sources of business information. Perhaps non participants should consider getting involved in such organizations. Although getting information about government assistance programs and the process of applying for such assistance seem to be time consuming and frustrating processes, more attention might be given to such opportunities. In turn, government agencies might usefully consider how to improve dissemination of information about programs and requirements, including how to access possible government contracts, to a much wider audience. Some efforts could also be usefully directed towards providing immigrants with information about other business opportunities and support services so that reliance on an exclusively ethnic network could be reduced.

B. The Racial Element

The effect of the racial element on the business lives of those surveyed is very small. Only 22% felt there was a limited market for their businesses and of these, none gave reasons linking limitations directly to race. Some, however, felt the limitation was due to too specialized a product or service or too specialized a clientele. Generally, such businesses were involved in an ethnic market to some extent. This suggests disadvantage for those overly reliant on the ethnic connection but is not necessarily a matter of race. Of those who had applied for funding to financial institutions, 94% were successful in receiving business loans. Those who had not applied never gave racial explanations. Of those who did not participate in national businesses associations, none felt they would not be welcome and none had been refused membership. Relations with other businesses and the wider community were generally described as harmonious. Difficulties with financing, suppliers, customers, regulations and legal matters were seen as problems common to all businesses rather than related to racial discrimination by the great majority. Only 10 respondents felt there were other problems in running a business that were related to racial discrimination.

Respondents often made comments about discrimination during the course of the interviews. One overall impression from these comments is that many visible minority entrepreneurs do not perceive themselves as disadvantaged. "In thirteen years, I have never had any problems related to racial discrimination". Often such comments were accompanied by statements that business expertise alone was responsible for success and failure. "As long as an individual has sufficient collateral, he can obtain financing regardless of his ethnic group". - "If you provide the product, you will be successful" - "If you are intelligent and well organized and use your abilities, you will be successful" - "The main thing is previous experience, that's what counts" - "Lots of people like to cry about discrimination and they would be better off to put in some effort".

These perceptions may stem from comparisons of one's own situation with that of other groups. In many cases, respondents commented that while they had no personal experience with discrimination, they felt it existed for others or had existed in the past. One respondent said the survey should not concentrate on the Chinese as "there's not much discrimination here" but rather on the "Indian-Pakistan community - there, the racial tension is enormous". Similarly, a Japanese respondent explained there was no discrimination here but that in British Columbia (some years ago), he had experienced it when he worked "for 70¢ per hour along side of others paid 80¢ just because of the racial difference". He went on to comment; "the best thing that could have happened to my family was that we were forced to leave B.C. and come to Toronto". A Black businessman related an experience occurring in England. After his involvement (at the work place) in a racial incident where he successfully interceded on behalf of a fellow worker (also Black), the respondent was offered a promotion. He commented "if you take a negative view, they were trying to get rid of a trouble maker". He took the "positive view" and accepted the promotion.

Those who did describe racial tensions usually located them outside the business world. One businessman stated; "the media has created a lot of problems by blowing up small incidents and blaming ethnic groups if any of the people of a particular origin are involved". A West Indian proprietor commented that because of the way "Blacks are brought up, they only know one way of life - fighting" and that Blacks would break the law just because they were told not to do something. He felt Blacks needed an organization to help people learn about the law and, in turn, that police needed to learn more about Blacks instead of "just harassing those causing trouble".

It is encouraging to observe that the racial element is so small in the perceptions and reported experiences of these respondents. It may be that the racial element has been greatly underrepresented by those interviewed or that the areas probed are not the critical ones. However, it seems unlikely that other aspects of running a business severly affected by the racial element would have been totally ignored in the volunteered comments.

In many ways, it is not surprising that the business sector feels relatively untouched by racial discrimination. All of the entrepreneurs interviewed are successful: they are managing to operate a business during difficult economic times; their ambitions for independence are being met; and their day to day concerns are focused on matters of business competition, making deals and increasing profits. The inequities in employment or housing experienced by others must seem much more severe in comparison. Why so few visible minorities appear to have gone into business; why so many have failed; and why so many seem to be concentrated in less profitable commercial sectors may be questions where the racial element provides important answers. But the effect of race on doing business within such constraints seems very small.

Although uncommon, racial disadvantage does figure in the business lives of some respondents. As it seems especially strong in the area of financing, it was decided to create a measure of the strength of this perceived disadvantage by summing the responses for six items relating race to financial difficulties*. As Table 17 shows, and as expected, for most there is no perception of financial disadvantage (61% or 37 cases). Nineteen per cent (or 20 cases) have some perception; 7% (or 4 cases) a definite perception; and 13% (or 8 cases) have a strong perception.

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* The following six items (where a yes response indicated financial difficulties were related to race) were used to construct the measure: more careful scrutiny of loan applications; small amount of financing received; more collateral required; higher interest rate charged; difficulty getting financing for a non traditional business, and, difficulty getting financing as a problem related to racial discrimination. A score of zero indicates no perception; a score of 1, some perception; a score of 2 indicates a definite perception and a score of 3 or more, a strong perception of financial difficulties related to race.

There is a suggestion of variation across groups. The Japanese businessmen interviewed have the fewest reporting financial disadvantage followed by South Asian respondents. Chinese and Black samples contain the largest numbers feeling financial difficulties are linked to race. Perceptions of ethnic disadvantage among non visible minority respondents fall in the middle and suggest that cultural as well as strictly racial dynamics may be at work in the area of financing. It is interesting that perceived financial disadvantage is not concentrated in any particular commercial sector. While it is slightly higher for those in services and manufacturing (43% and 50% respectively), 37% in wholesale and retail outlets and 25% in importing and exporting report at least some perception of disadvantage by virtue of race.

TABLE 17. - PERCEPTIONS OF RACIAL DISADVANTAGE IN FINANCING BUSINESSES

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Perception of Racial Disadvantage						
No Perception	5	5	10	10	7	37
Some Perception	0	3	3	3	4	12
Definite Perception	1	1	1	0	1	4
Strong Perception	5	3	0	0	0	8
Total	11	12	14	12	12	61

The questionnaire responses of each respondent reporting at least some perception of racial disadvantage in the area of financing were examined to see if the racial element extended to other aspects of business life. Other commonalities with respect to background, education and size of enterprise were also looked for.

The five non visible minority respondents perceiving financial disadvantage had not experienced difficulties getting financing but felt ethnic stereotyping made getting loans for non traditional businesses more difficult. It is interesting that four of these respondents are of non British ethnic origin. Few extended such perceptions to other realms. Those indicating an element of discrimination in finding customers, expanding the market or in regulations specified that this was true of "non whites" but not of themselves. Other commonalities are few; none had completed university; most had previous experience related to current enterprise. Size of business was small and business revenues on the lower side ($50,000 to $100,000).

Of the visible minority respondents perceiving financial disadvantage, half extended such perceptions to other realms. There is a small contrast between Chinese and Black samples and South Asian and Japanese samples. The former feel racial disadvantage to be more pervasive. Only one Japanese respondent indicated that the racial element extended beyond financing (into the area of getting enough suppliers). Similarly, only one of the four South Asian respondents felt that getting enough employees was also related.

Four of the six Black respondents felt the racial element was also at work in other areas but these areas are diverse. One felt his tax assessment was unfair. One had experienced difficulties with the neighbouring community - "they feel there are too many Blacks in the neighbourhood". One felt it was difficult to get and keep white suppliers. Another felt poor credit from suppliers and too strict enforcement of health and safety standards were related to race. These respondents have little in common other than racial origin. Education varies from less than high school to completion of university; not all are West Indian. Although the businesses are small in terms of employees, business revenues are on the upper side, $100,000 to $5,000,000. Four of the six Chinese respondents extended perceptions of racial disadvantage to other areas. Three focused on inspections and regulations; the other on difficulties expanding the market beyong his own ethnic group. The largest employer (also the most highly educated) found the racial element most pervasive, reporting effects in legal matters, getting suppliers, getting good prices from suppliers and in relation to lack of trust in the non Chinese business community.

In summary, while the racial element is not very apparent in business concerns, it does affect some proprietors at least to the point of perceived disadvantage. It seems most common in the area of financing. Higher collateral and more careful scrutiny are normal procedures in funding certain kinds of business ventures (high risk propositions, small businesses, etc.). Yet none of the 12 non visible minority respondents reported such experiences and many visible minority respondents did. Since comparatively high numbers perceive stereotyping at work in the process of applying for business financing, further study might usefully focus on bank managers' methods of assessing applications. More Black and Chinese respondents feel race affects their business operations than South Asian and Japanese respondents. Strategies of assimilation, better education, previous business experience and comparatively better placement in the commercial sector may partly account for this contrast for South Asian respondents. For the Japanese sample, the high numbers of Canadian born respondents and cultural assimilation may be at play.

C. Recommendations

In so far as minority group enterprise is a neglected area of study, further research on the topic would be useful. In particular, the issue of entry into the wider market (how it is achieved; who succeeds, who fails and why) would be a topic of considerable concern. Additional study might also concentrate on questions of over or under-representation in entrepreneurship; on whether there is over-concentration in particular commercial sectors or disproportionate numbers who fail in their business ventures and what the reasons for these phenomena might be.

Such study would be a sizable undertaking, requiring a very large sample and careful control of a number of factors. These factors have already been considered in Chapter Two and include (at a minimum) type and size of enterprise, length of time in operation, location with respect to areas of ethnic commercial concentration, racial origin and generation of proprietors. Our findings suggest that the business experiences of Blacks, Chinese, Japanese and South Asians are sufficiently different to make these latter two controls even more imperative. The development of an adequate sampling frame would thus be a very difficult, time consuming and expensive task. There is some question as to whether such information would be easy to obtain in a telephone screening. As already discussed, what universe to screen would be a particularly difficult issue. It would be desirable to include some failed businesses as well as successful ones which augments this problem.

The effect of the racial element on business operations as they were studied in this survey is very small. It is therefore difficult to justify additional inquiry on the racial element in this particular institutional setting. It is debatable whether further study would be of significant benefit in attempts to locate major areas of inequality or to improve race relations generally. Further research efforts might be more usefully directed towards racial issues in labour force participation, occupational placement and employment opportunities. The industrialized, integrated nature of the economy dictates that more enter the work force than go into independent business.

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APPENDIX A: THE SURVEY INSTRUMENT

Items marked with an asterisk were dropped from the schedule soon after fieldwork started. Whenever the words "racial" or "race" are underlined, the words "ethnic group" or "ethnic" were substituted if the respondent was not a member of a visible mniority group.

START TIME __ __:__ __

To begin, I would like to ask you some questions about your business - how it is organized, what products or services it provides and so on.

1. What is the registered name of your company?

____ __ __ __

2. What is your position within the business?

____ __ __

(IF R. IS NOT OWNER, PARTNER, MAJORITY SHAREHOLDER, ETC. ASK FOR THE NAME OF THE OWNER AND HOW TO GET IN TOUCH WITH HIM. THANK R. AND TERMINATE INTERVIEW.)

3. In what year did you go into this business? *(Code last two digits)* 19 __ __

4. In what year was this business established? *(Code last two digits. If business was established before 1900, code 98. If R. does not know, code 99.)* 19 __ __

IF Q.3 AND Q.4 ARE THE SAME, GO TO Q.6

IF Q.3 AND Q.4 ARE NOT THE SAME, GO TO Q.5

5. Who first established this business? *(Probe for relationship and ethnic origin, i.e., Father, business deal, friend, etc.)*

____ __ __ __

6. How is the business organized? Is it...

...an individual proprietorship 1
...a partnership 2
...a corporation, that is, a limited company 3
...a cooperative or collective, or 4
...something else? *(specify)*

____

7a. Does your business have any divisions, branches or locations other than this one?

Yes 1
No .... *GO TO Q.8* 2

b. *(IF YES, ASK:)* Are they...

(NOTE COMBINATIONS BELOW)

____

____

...in the same area 1
...elsewhere in Toronto 2
...elsewhere in Ontario 3
...elsewhere in Canada, or 4
...outside Canada? 5

8a. Do you have direct participation as an owner, partner or member of the board of directors, in any other businesses, either in Canada or outside Canada?

Yes 1
No .... *GO TO Q.9* 2

b. *(IF YES, ASK:)* Please give me the name(s) of the other business(es), their location(s), type of business, and the nature of your participation.

	Name	Location	Type of Business	Participation
i.				
ii.				
iii.				

9. What lines of business is your establishment involved in? Please tell me the major products, goods and or services your business produces or offers? *(LIST ALL MENTIONED, BE SURE TO NOTE IF MANUFACTURED, IMPORTED, EXPORTED, WHOLESALE, RETAIL, ETC.)*

i. ____________________ ___ ___ ___
ii. ____________________ ___ ___ ___
iii. ____________________ ___ ___ ___
iv. ____________________ ___ ___ ___

10a. How many full-time employees do you have? *(Code Number)* .... ___ ___ ___

b. How many part-time employees do you have? *(Code Number)* .... ___ ___ ___

c. Does the number of employees change during the year?

Yes 1
No 2

11a. Do any of your family or relatives work for you?

Yes 1
No .... *GO TO Q.12* 2

b. *(IF YES, ASK:)* How many? *(Record Number)* .... ___ ___

12. What was your gross business revenue in the past fiscal year? Was it between...

(IF IN BUSINESS LESS THAN ONE YEAR, ASK FOR ESTIMATE AND NOTE BELOW)

$ ____________________

...$1,000 and $5,000 01
...$5,000 and $10,000 02
...$10,000 and $20,000 03
...$20,000 and $50,000 04
...$50,000 and $75,000 05
...$75,000 and $100,000 06
...$100,000 and $500,000 07
...$500,000 and $1,000,000 08
...$1,000,000 and $5,000,000 09
...$5,000,000 or more? 10
Refused 99

13. How would you describe the majority of your customers? Would you say that over 50% of your customers...

...are from the local neighbourhood or nearby parts of the city 1
...are from all over the city 2
...are located throughout Ontario 3
...are located throughout Canada, or 4
...are located in several countries? 5

14. Still thinking about your customers, would you say that 75% (three-quarters) of your clientele...

...are of the same ethnic group as yourself 1
...are from one or two ethnic groups, or. 2
...are from a wide variety of ethnic groups? 3
Don't know 8

15a. Now, a few questions about your suppliers. Do you use suppliers from countries outside Canada?

Yes 1
No .... *GO TO Q.16* 2

b. *(IF YES, ASK:)* From what countries? *(List below)*

i. ______________________________ __ __
ii. ______________________________ __ __
iii. ______________________________ __ __

16. Are the majority of your suppliers, that is over 50% of your suppliers...

...from the same ethnic group as yourself yourself 1
...from one or two ethnic groups, or 2
...from a wide variety of ethnic groups? 3
Don't know 8

People go into business for a variety of reasons. I would like to ask your some questions about your own background, ambitions and experiences in becoming a businessman.

First some general background questions.

17. In what year were you born? ....*(Code last two digits)* 19 __ __

18. In what country were you born?

Canada .... *GO TO Q.22*	**10**
United States	**20**
United Kingdom	**30**
Jamaica	**41**
Trinidad	**42**
Barbados	**43**
China	**50**
Japan	**51**
Korea	**71**
Philippines	**72**
Vietnam	**73**
Pakistan	**81**
India	**82**
Sri Lanka	**83**
Uganda	**91**

Other European country *(Specify)* ____________________

Other W. Indian country *(Specify)*____________________

Latin American country *(Specify)* ____________________

Other S. Asian country *(Specify)* ____________________

Other E. Asian country *(Specify)* ____________________

Other African country *(Specify)* ____________________

19. *(IF NOT CANADIAN BORN, ASK:)* In what year did you come to Canada? 19 __ __

20. *(IF NOT CANADIAN BORN, ASK:)* In what country did you live just prior to coming to Canada?

____ __ __

21. *(IF NOT CANADIAN BORN, ASK:)* Of what country are you a citizen?

Canada	**01**
Other *(Specify)*______________	

22. To what ethnic or cultural group did you or your ancestors belong on first coming to this continent?

(NOTE COMBINATIONS BELOW)

____

____

____

Africa	01
West Indian	02
East Indian	03
Chinese	04
Japanese	05
Korean	06
Philippino	07
Vietnamese	08
Other *(Specify)* ______________	

23a. What language is used in your business?

English only .... *GO TO Q.24*	1
English and one other language	2
English and several other languages	3
Another language only	4
Several languages other than English	5

(IF OTHER THAN ENGLISH IS SPOKEN NOTE LANGUAGE(S) BELOW)

b. ______________________ c. ______________________ — — —

24. What is the highest level of education you have completed?

No formal education	01
Some primary school	02
Completed primary school	03
Some high school	04
Completed high school	05
Some technical training beyond hight school	06
Completed non-university diploma or degree	07
Some university	08
Completed university	09
Some graduate or professional training beyond university	10
Completed graduate or professional degree	11

25. In what country did most of your schooling take place?

Canada	01
Other *(Specify)* ______________	

26. Think for a moment about your father's or family's main occupation while you were growing up. Is there a tradition in your family to run that kind of business or have that type of career?

Yes	1
No .... *GO TO Q.28a*	2

27a. *(IF YES, ASK:)* What was your father's (family's) main occupation?

____

b. In what sort of business or industry was this?

____ — — —

c. Was he self employed?

Yes	1
No	2

28a. **What was your last full time job before going into your present business?**

____

b. **In what sort of business or industry was this?**

____ _ _ _

c. **In what country was this?**

Canada 01
Other *(Specify)*________________________________

d. **Were you self employed?**

Yes 1
No 2

e. **How many years did you work in this job? *(Code Number of Years)*..... _ _**

29. **Approximately how many full time jobs did you have before going into your present business? *(Code Number of Full-time Jobs)* .... _ _**

30a. **Before going into your present business, did you own or start any other businesses?**

Yes 1
No .... *GO TO Q.31* 2

b. ***(IF YES, ASK:)* What kind of business was this?**

____ _ _ _

c. **In what country was this?**

Canada 01
Other *(Specify)*________________________________

31. **In what country have you gained most of your business experience?**

Canada 01
Other *(Specify)*________________________________

32. **I would like some information about which of your background skills and experiences have been important to you in conducting your present business. Please tell me if each of the following have been or are very important, somewhat important, or not at all important to you.**

VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT AT ALL IMPORTANT	NOT APPLICABLE	DON'T KNOW
1	2	3	4	8

a. **Living in countries other than Canada .... _**

b. **Formal educational training .... _**

c. **Management skills used in previous lines of work .... _**

d. **Previous experience in your kind of business such as familiarity with the product line, on the job training .... _**

e. **Social and business contacts gained in other lines of work .... _**

f. **Social and buisness contacts gained in your own ethnic community ...... _**

33. People have different reasons for going into their own business. I am going to read you a list of some situations people experience that make them decide to go into business for themselves. For each one, please tell me if it was very important, somewhat important or not at all important for you.

VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT AT ALL IMPORTANT	NOT APPLICABLE	DON'T KNOW
1	2	3	4	8

a. You wanted to be your "own boss" .... __
* b. You wanted the challenge of running your own business .... __
c. You wanted to exploit a business idea or product .... __
d. You wanted to be financially successful .... __
e. You wanted to carry on a family tradition .... __
f. Your previous work did not pay well enough .... __
g. Your previous work did not offer enough chance for advancement .... __
* h. Your previous work did not provide enough security .... __
i. Your occupational qualifications were not recognized for other kinds of work you wanted to do .... __
j. You were over qualified for the other kinds of work you could find .... __
k. You couldn't find a suitable job elsewhere .... __
* l. You couldn't obtain financing for any other kind of business you
* were interested in establishing .... __
m. You couldn't break into the market, that is get suppliers or keep customers, in any other kind of business you were interested in establishing .... __

34a. Are there any other reasons, not mentioned already, that were also important for you in starting your own business?

Yes 1
No .... *GO TO Q.35* 2

(IF YES, ASK:) What were these other reasons?

b. ______________________________ __ __
c. ______________________________ __ __
d. ______________________________ __ __

35. How did you raise the capital to get started in this business? Did you...
(CIRCLE ALL THAT APPLY)

...use your own personal sources of money? 1
...use capital from another business you had? 1
...borrow from family or friends? 1
...borrow from an ethnic lending organization or benevolent society? 1
...borrow from a bank or similar financial institution? 1
...make use of a venture capital organization or similar investors? 1
...sell stock in the company? 1
...receive a government grant? or 1
...use other sources *(Specify)*
______________________________ 1

Now I would like to ask some questions about problems that may arise in the operation of your business.

36a. Do you feel the Toronto area offers you an expanding market for business or that your market is limited?

Expanding market.... *GO TO Q.37* 1

Limited market 2

b. *(IF LIMITED, ASK:)* What is the main reason you feel your market is limited? Is it because...

...your product or servies are very specialized? 1

...your products or services only attract a limited number of customers? 2

...you are unable to break into established networks of customers and suppliers? or 3

...is it because of something else? *(Specify)*

____

*** 37. People may encounter difficulties obtaining money to start, maintain and expand their businesses. Please tell me if you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with each of the following statements.**

STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	DON'T KNOW
1	2	3	4	5	8

a. Canadian financial institutions, such as banks, are very willing to lend money to businessmen .... __

b. Financial institutions are too conservative in attitudes toward financing entrepreneurs .... __

c. Financial institutions are unwilling to make loans to smaller businesses that are new and that are perceived as a high risk .... __

d. Financial institutions tend to treat smaller businesses unfairly by requiring undue amounts of collateral and by charging higher interest rates than for big business .... __

e. Financial institutions are unwilling to make loans to certain minority businessmen who are stereotyped as unreliable .... __

f. Financial institutions tend to discriminate against certain minority businessmen by requiring undue amounts of collateral and by charging higher interest rates than for other ethnic groups .... __

38. Have you ever applied to a bank or similar financial institution for a business loan?

Yes .... *GO TO Q.40* 1
No 2

39. *(IF NO, ASK:)* Why haven't you? Is the main reason because...

...you haven't needed financing 1
...you got financing elsewhere 2
...you felt banks would not provide money for the kind of venture you were interested in 3
...you felt banks would not be willing to loan to someone in your ethnic group, or 4
...was it because of something else? *(Specify)*______________________________ 5

GO TO Q.43

40. *(IF YES TO Q.38, ASK:)* Were you successful in receiving the needed financing?

Yes................. *GO TO Q.42* 1
No 2

41. *(IF NO, ASK:)* Why not?

a. ____ __ __
b. ____ __ __
c. ____ __ __

GO TO Q.43

42. *(IF YES TO Q.40, ASK:)* I would like to ask you some questions about your experience getting financing.

CODES: YES = 1; NO = 2; DON'T KNOW = 8

a. Do you think your application was more carefully looked at than a similar application from someone from a different ethnic group? ..... __
b. Do you think you received a smaller amount of financing than someone from a different ethnic group for a similar venture? .... __
c. Do you think you were required to provide more security or collateral for the loan than someone from a different ethnic group for a similar venture? .... __
d. Do you think you were required to pay a higher interest rate than someone from a different ethnic group? .... __

43. Sometimes, certain kinds of businesses are thought to be associated with particular ethnic groups. For example, Italians are sometimes linked with the construction business, or Greeks with the restaurant industry. In your experience with financing, do you think it is more difficult to get financing for a business in a line that is not traditionally associated with your ethnic group?

Yes 1
No 2
Don't know 8

44. Provincial and municipal regulations - such as licensing, fire and safety standards, opening and closing hours - must be met for businesses to get started and stay in business. Have you had any problems with any of the following?

CODES: YES = 1; NO = 2

a. Fire and safety regulations .... __

b. Department of health regulations .... __

c. Business licensing .... __

d. Liquor licensing .... __

e. Police inspections .... __

f. Tax assessments .... __

45. *(IF YES TO ANY OF THE ABOVE, ASK:)* Please describe what happened.

a. ____ __ __

b. ____ __ __

c. ____ __ __

d. ____ __ __

46. Do you think these things would have happened to any business under the circumstances or that they happened because you were a member of a particular ethnic group?

Would happen to any business	1
Happened because of ethnic status	2
Don't know	8

There are many different ways businessmen receive information, advice and contacts helpful for their business. I would like to ask some questions about some of these.

47. Do you think that information about government programs and services that provide assistance to businesses is easy to obtain?

Yes	1
No	2
Don't know	8

48. Are you aware of the government programs or services providing assistance to businesses of your kind. Would you say you were very familiar with such programs, somewhat familiar, or not at all familiar?

Very familiar	1
Somewhat familiar	2
Not at all familiar	3
Don't know	8

49a. Have you made use of any government programs or services that provide assistance to businessmen?

Yes 1
No .... *GO TO Q.50* 2

b. *(IF YES, ASK:)* Was this a federal or provincial program

Federal 1
Provincial 2
Don't know 8

c. *(IF YES, ASK:)* Please describe what happened. That is, tell me what program, how you found out about it, when it happened and how useful it was.

i. ______________________________________ __ __
ii. ______________________________________ __ __
iii. ______________________________________ __ __

50. Business and professional associations can provide useful information and contacts to businessmen. Do you participate in any of the following organizations?

CODES: YES = 1; NO = 2

a. Better Business Bureau .... __
b. Chamber of Commerce .... __
c. Board of Trade .... __
d. A specific business or professional association such as Canadian Auto Dealers Association .... __

51. *(IF 'NO' TO ANY OF THE ABOVE, ASK:)* Why don't you participate? Is the main reason because...

...you feel they are not helpful......... 1
...you feel they would not welcome members of your ethnic group 2
...you were refused membership, or 3
...something else *(Specify)*
____

52. *(IF 'YES' TO ANY IN Q.50, ASK:)* Have you used these organizations for any of the following?

CODES: YES = 1; NO = 2

a. To get more customers .... __
b. To find employees .... __
c. To find suppliers .... __
d. To help get financing .... __
e. To get information on government assistance, legal matters, etc. .... __
f. To get information about the climate for business .... __

53. **Do you participate in any ethnic assocations of businessmen or merchants?**

Yes 1
No .... *GO TO Q.55* 2

54. **Have you used these organizations for any of the following?**

CODES: YES = 1; NO = 2

a. **To get more customers** .... __
b. **To find employees** .... __
c. **To find suppliers** .... __
d. **To get help with financing** .... __
e. **To get information about government assistance, legal matters, etc.** ...... __
f. **To get information about the climate for business** .... __

GO TO Q.56

55. *(IF NO IN Q.53, ASK:)* **Please tell me why you do not participate.**

____ __ __
____ __ __
____ __ __

56. **Do you own or rent the premises where your business is located?**

Own 1
Rent .... *GO TO Q.58* 2

57. *(IF OWN, ASK:)* **Did you buy the property from someone in your own ethnic group or from someone in a different ethnic group?**

Same 1
Different 2
Don't know 8

GO TO Q.59

58. *(IF R. RENTS BUSINESS PREMISES, ASK:)* **Do you rent these premises from someone in your own ethnic group or from someone in a different ethnic group?**

Same 1
Different 2
Don't know 8

* 59. How would you describe your relationship with other businessmen in the area where your business is located? Would you say it was...

...very good	1
...good	2
...average	3
...fair, or	4
...poor	5
Don't know	8

60. What sorts of difficulties do you experience in your relationship with these other businesses?
(PROBE FOR PRICE WARS, INFORMATION ABOUT DOING BUSINESS, PROPERTY MATTERS OR DISPUTES AND RACIAL TENSIONS.)

a. ______________________________ __ __

b. ______________________________ __ __

c. ______________________________ __ __

d. ______________________________ __ __

* 61. How would you describe your relationship to the residential community in the area where your business is located? Would you say it was...

...very good	1
...good	2
...average	3
...fair, or	4
...poor	5
Don't know	8

62. What sort of difficulties do you experience in your relationship with the residential community where your business is located?
(PROBE FOR COMPLAINTS ABOUT NOISE, CROWDING, BOYCOTTING, VANDALISM, RACIAL TENSIONS, ETC.)

a. ______________________________ __ __

b. ______________________________ __ __

c. ______________________________ __ __

d. ______________________________ __ __

63. How were these problems, if any, with the community solved?
(PROBE FOR WHETHER PROBLEM WAS SOLVED TO R.'S SATISFACTION IF IT INVOLVED THE POLICE AND HOW THEY WERE TREATED BY POLICE.)

a. ______________________________ __ __

b. ______________________________ __ __

c. ______________________________ __ __

d. ______________________________ __ __

64. Considering the many aspects of running a business, some problems may be common to all businesses but others may be a matter of racial discrimination. For each of the following areas, please tell me which of these two - common problems or problems related to racial discrimination - best fits your own experience and opinion.

COMMON TO ALL	RACIAL DISCRIMINATION	NOT A PROBLEM	DON'T KNOW
1	2	3	8

a. Difficulties getting financing .... ___

b. Inability to get suppliers .... ___

c. Unreliable suppliers .... ___

d. Poor credit or prices from suppliers .... ___

e. Difficulties finding enough employees .... ___

f. Poor employee relations .... ___

g. Lack of customers .... ___

h. Difficulties expanding the market .... ___

i. Inspections and regulations .... ___

j. Legal matters .... ___

65a. Are there any other problems you face in running your business that you feel are related to racial discrimination?

Yes 1

No .... *GO TO Q.66a* 2

b. *(IF YES, SAY:)* Please explain the situation.

i. ____

____ ___ ___

____

ii. ____ ___ ___

66a. Do you intend to remain in Canada?

Yes .... *GO TO END* 1

No 2

b. *(IF NO, ASK:)* Where do you plan to relocate? *(specify country)*

____ ___ ___

That's the end of the interview. Thank you for taking time to participate. The results of the survey will indicate the contribution minority group businesses make to the business community and will highlight any problems that are of particular importance. Your assistance is greatly appreciated.

END TIME ___ ___:___ ___

APPENDIX B: ADDITIONAL INFORMATION ON THE BUSINESSES SURVEYED

The following Tables provide additional information on the form of business organization, length of time in operation, geographical distribution of suppliers and customers and the incidence of branch locations. These data supplement the discussion in Section A of Chapter Three.

ORGANIZATIONAL STRUCTURE OF THE BUSINESSES

	Entrepreneurs					
Organization	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Individual Owner	3	4	3	4	3	15
Partnership	4	3	2	1	4	11
Corporation	7	4	9	9	5	34
Total	11	11	14	12	12	60

LENGTH OF TIME IN OPERATION

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
25 Years or More	0	0	1	3	3	7
10 to 24 Years	8	3	7	6	3	27
5 to 9 Years	2	4	2	3	2	13
Less than 5 Years	1	5	4	0	4	14
Total	11	12	14	12	12	61

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Suppliers:						
Canada Only	7	6	7	10	8	38
Other Countries	4	6	7	2	4	23
Total	11	12	14	12	12	61

COUNTRY OF FOREIGN SUPPLIERS (ALL MENTIONS)

	Entrepreneurs				
	Black	Chinese	South Asian	Japanese	Non Visible Minority
Country:					
United States	1	1	0	1	2
United Kingdom	3	1	0	1	0
Other European	0	0	3	1	4
China	1	2	1	0	0
Hong Kong	0	5	1	0	0
Japan	0	0	2	2	0
India/Pakistan	1	0	5	0	0
Other Asian	0	1	2	1	0
West Indies	2	0	0	0	0
Other	1	0	1	0	1

GEOGRAPHICAL DISTRIBUTION OF MAJORITY OF CUSTOMERS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Location:						
Local Neighbourhood	4	6	3	5	7	25
All Over the City	7	6	3	3	2	21
Throughout Ontario	0	0	3	3	2	8
Throughout Canada	0	0	5	0	1	6
Several Countries	0	0	0	1	0	1
Total	11	12	14	12	12	61

INCIDENCE OF ADDITIONAL BUSINESS BRANCHES

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Branches:						
No Other Branches	9	10	11	11	10	51
Branch in Same Area	1	1	0	0	1	3
Branch in Toronto	1	1	1	1	1	5
Branch Outside Canada	0	0	2	0	0	2
Total	11	12	14	12	12	61

APPENDIX C: ADDITIONAL INFORMATION ON THE ENTREPRENEURS INTERVIEWED

The following Tables provide additional information on sex, age, country of birth, period of immigration, education, previous business experience and membership in ethnic associations of businessmen. These data supplement the discussion in Section B of Chapter Three.

GENDER BREAKDOWN OF THE SAMPLE

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Gender:						
Male	11	11	12	10	10	54
Female	0	1	2	2	2	7
Total	11	12	14	12	12	61

AGE OF RESPONDENTS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
70 Years or Older	0	0	1	2	0	3
60 to 69 Years	1	0	0	2	0	3
50 to 59 Years	4	1	4	4	4	17
40 to 49 Years	4	6	5	3	6	24
30 to 39 Years	2	3	4	1	1	11
20 to 29 Years	0	2	0	0	1	3
Total	11	12	14	12	12	61

COUNTRY OF BIRTH

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Country:						
Canada	2	-	-	8	6	16
United States	1	-	-	-	1	2
European Country	-	-	-	-	5	5
China	-	7	-	-	-	7
Hong Kong	-	5	-	-	-	5
Japan	-	-	-	4	-	4
India	1	-	12	-	-	13
West Indies	6	-	-	-	-	6
African Country	1	-	2	-	-	3
Total	11	12	14	12	12	61

YEAR OF IMMIGRATION TO CANADA (FOREIGN BORN ONLY)

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
1950 or Earlier	1	3	1	0	4	9
1960 to 1966	4	1	4	1	0	10
1967 to 1972	2	6	7	3	1	19
1973 to 1979	2	2	2	0	1	7
Total	9	12	14	4	6	45

EDUCATION

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Level:*						
Less than High School	4	3	1	1	1	10
High School	1	5	1	4	4	15
Post Secondary	3	2	3	4	4	16
Some University	2	0	2	1	2	7
University or Beyond	1	2	7	2	1	13
Country:**						
Canada	3	1	0	6	8	18
Other Country	8	11	14	6	4	43
Total	11	12	14	12	12	61

*Less than High School includes those with primary school or less and those with some high school education. Post Secondary includes those with some further training and those completing non university diplomas or degrees.

**Refers to the country in which most of schooling took place.

PARTICIPATION IN ETHNIC ASSOCIATIONS OF BUSINESSMEN

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Participation:						
Yes	1	4	6	4	NA	15
No	11	8	7	8	NA	33
Total	12	12	13	12	NA	48

PREVIOUS BUSINESS EXPERIENCE

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Last Full Time Job:						
Related*	3	6	6	7	6	28
Not Related	8	6	8	5	6	33
Father's Occupation:						
Related*	2	3	4	0	4	13
Not Related	0	0	4	3	0	7
Not Applicable	9	9	6	9	8	41
Former Business:						
Related*	1	1	2	4	3	11
Not Related	2	2	1	1	1	7
Not Applicable	8	9	11	7	8	43
Any Previous Experience:						
Related*	6	9	8	8	8	39
Not Related	5	3	6	4	4	22
Total	11	12	14	12	12	61

*Related indicates that the nature of previous experience is related to current enterprise (i.e. same product line, similar type of business).

THOSE REPORTING BACKGROUND SKILLS AND EXPERIENCES AS VERY IMPORTANT FOR THE CONDUCT OF PRESENT BUSINESS

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Experience:						
Foreign Residence	6	2	8	5	3	24
Formal Education	6	4	6	6	5	27
Management Skills	6	2	10	3	3	26
On Job Experience	7	6	5	8	6	32
Contacts from Work	7	6	3	4	2	19
Ethnic Contacts	7	4	5	3	1	18
Total	11	12	14	12	12	61

APPENDIX D: ADDITIONAL INFORMATION ON BUSINESS PROBLEMS

The following Tables provide additional information on financing for non traditional businesses, the nature of government assistance programs used and relationships with the business and neighbourhood communities. These data supplement the discussion in Section C of Chapter Three.

FINANCING FOR BUSINESSES NOT TRADITIONALLY ASSOCIATED WITH A PARTICULAR ETHNIC GROUP

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Difficulty:						
Yes	3	2	2	1	3	11
No	6	5	10	5	7	33
Don't Know	2	5	2	6	2	17
Total	11	12	14	12	12	61

TYPE OF GOVERNMENT ASSISTANCE USED

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Program Type:						
Student/Trainee Salary	-	1	3	1	1	6
Training Courses	1	-	1	-	-	2
Tax Credits	-	-	1	-	-	1
Small Business Loan	2	-	-	-	1	3
Enterprise Development Loan	-	-	2	2	1	5
Total	3	1	7	3	3	17

PROBLEMS IN RELATIONSHIPS WITH BUSINESS COMMUNITY

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Problems:						
None	7	4	12	9	8	40
General Competition	1	5	2	1	4	13
Other	3	2	0	2	0	7
Total	11	11	14	12	12	60

PROBLEMS IN RELATIONSHIPS WITH NEIGHBOURHOOD COMMUNITY

	Entrepreneurs					
	Black	Chinese	South Asian	Japanese	Non Visible Minority	Total
Problems:						
None	5	7	8	8	8	36
Some Problem	4	2	0	2	4	12
Not Applicable	2	3	6	2	0	13
Total	11	12	14	12	12	61